

NATION'S BUSINESS

March



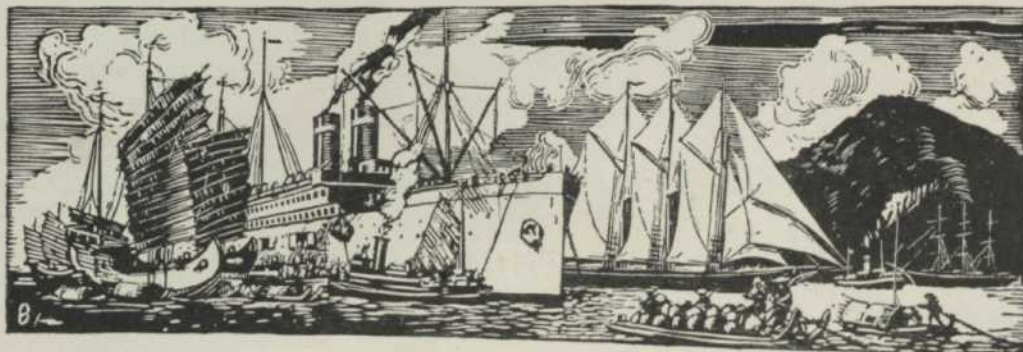
1927

⌘ ⌘ ⌘ This American
Ascendency *by Glen Buck*

⌘ Why the State is
a Poor Business Man *by*
Senator William Cabell Bruce ⌘

⌘ ⌘ The Ghost at The
Desk *by Sam A. Lewisohn*

Map of Nation's Business, Page 44



Published at Washington by the Chamber of Commerce of the United States

A QUARTER OF A MILLION CIRCULATION



In subways, mines, drainage systems and all of the other underground developments of our modern civilization, METAL MUST ENDURE.

Fighting *Rust-Fire** Underground

How manufacturers are providing *enduring* underground equipment with "Armco" Ingot Iron, the rust-resisting metal.

IT'S an uneven battle that metal fights against rust-fire underground. The odds are heavy . . . seepage, acids and alkalis found in soils are constantly attacking it. Only the purest iron can successfully resist these powerful allies of rust.

In subways, mines, drainage systems and all of the other underground developments of our modern civilization, *metal must endure.*

That is why so many leading manufacturers of metal products that serve underground are using "Armco" Ingot Iron.

Leading makers of caskets and grave vaults, for instance, rely on "Armco" Ingot Iron to give the *enduring* protection their customers demand.

In this day of oil burners, you need not worry about

losing valuable fuel, if your underground storage tank is made of "Armco" Ingot Iron.

Shaped into culverts and pipes, "Armco" Ingot Iron has behind it a twenty-year record of low-cost service.

No other metal is so free from the impurities that hasten rust in steel and other irons.

That is why "Armco" Ingot Iron gives unequalled service underground . . . resisting rust through the years. Its use is also a big economy when you consider that underground repairs are either impossible or tremendously expensive.

Above ground, too, "Armco" Ingot Iron is saving money in every industry where sheet metal is used—either for manufacturing or equipment.

And in the HOME

Home owners and builders are saving the cost and annoyance of frequent repairs. It will pay you to insist on galvanized "Armco" Ingot Iron for gutters, downspouts, flashings . . . and other weather-exposed metal parts about your house. Here

"Armco" Ingot Iron offers a double protection against rust. For it takes and holds a coat of zinc much purer than the galvanizing on steel. Look for the sheet metal shop in your town that displays the Armco Shop Sign.



AMERICAN ROLLING MILL COMPANY
MIDDLETOWN, OHIO



ARMCO
INGOT IRON
RESISTS RUST

* **RUST-FIRE!** The only difference between rusting and burning is time—both are oxidation. You can feel and see the fire produced by rapid burning. But when metal rusts, the process is too slow to see. Rust is the "ash" of this fire.

When writing to AMERICAN ROLLING MILL COMPANY please mention Nation's Business

Automobile Storage Building
H. K. Noyes & Son, Inc.
Waltham, Mass.



BUILDINGS By TRUSCON

When You Want Them

The record set by Truscon in manufacture, delivery, and erection of the 180 ft. x 560 ft. automobile storage building at Waltham, Mass., for the H. K. Noyes & Son, Inc., Buick distributors of Boston, illustrates what Truscon can do for manufacturers desiring to secure buildings quickly. The contract was received at Youngstown on October 27, 1926. Delivery of 30 carloads of materials was completed on November 22, 1926. The building, ready for occupancy, was turned over to the owners on December 27, 1926, a full five days before the date guaranteed for completion.

In the planning of this building a Truscon engineer worked in close touch with the owners and careful analysis was made of all types of buildings. The contract was placed not only on the basis of value but on a guarantee of completion by January 1, 1927. Truscon service in this case went so far as to place a Truscon man on the cars of materials to route shipment through without loss of time.

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Write us today for Suggestions and Preliminary Estimates. No obligation on your part. Catalogs on request.

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YOUNGSTOWN, OHIO

Warehouses and Offices in all Principal Cities



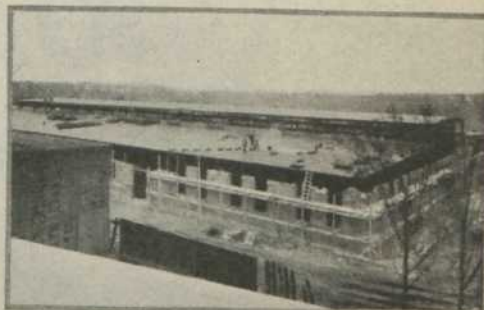
NOVEMBER 13, 1926



NOVEMBER 20, 1926



NOVEMBER 22, 1926



NOVEMBER 27, 1926



DECEMBER 4, 1926



DECEMBER 11, 1926

An index of American Industry—

The outstanding names in industry are overwhelmingly represented in a roll call of Jenkins Valve users. Those on this page and thousands more comprise a roster of "Who's Who in American Industry."

Plant engineers standardize on genuine Jenkins Valves because they know *Jenkins* throughout is the key to long term, low cost valve service.

Jenkins Valves are supplied for power plant, plumbing, heating, and fire protection requirements—each a valve designed, made, tested and guaranteed for the maximum service, not merely the average. You can obtain Jenkins Valves from supply houses everywhere.

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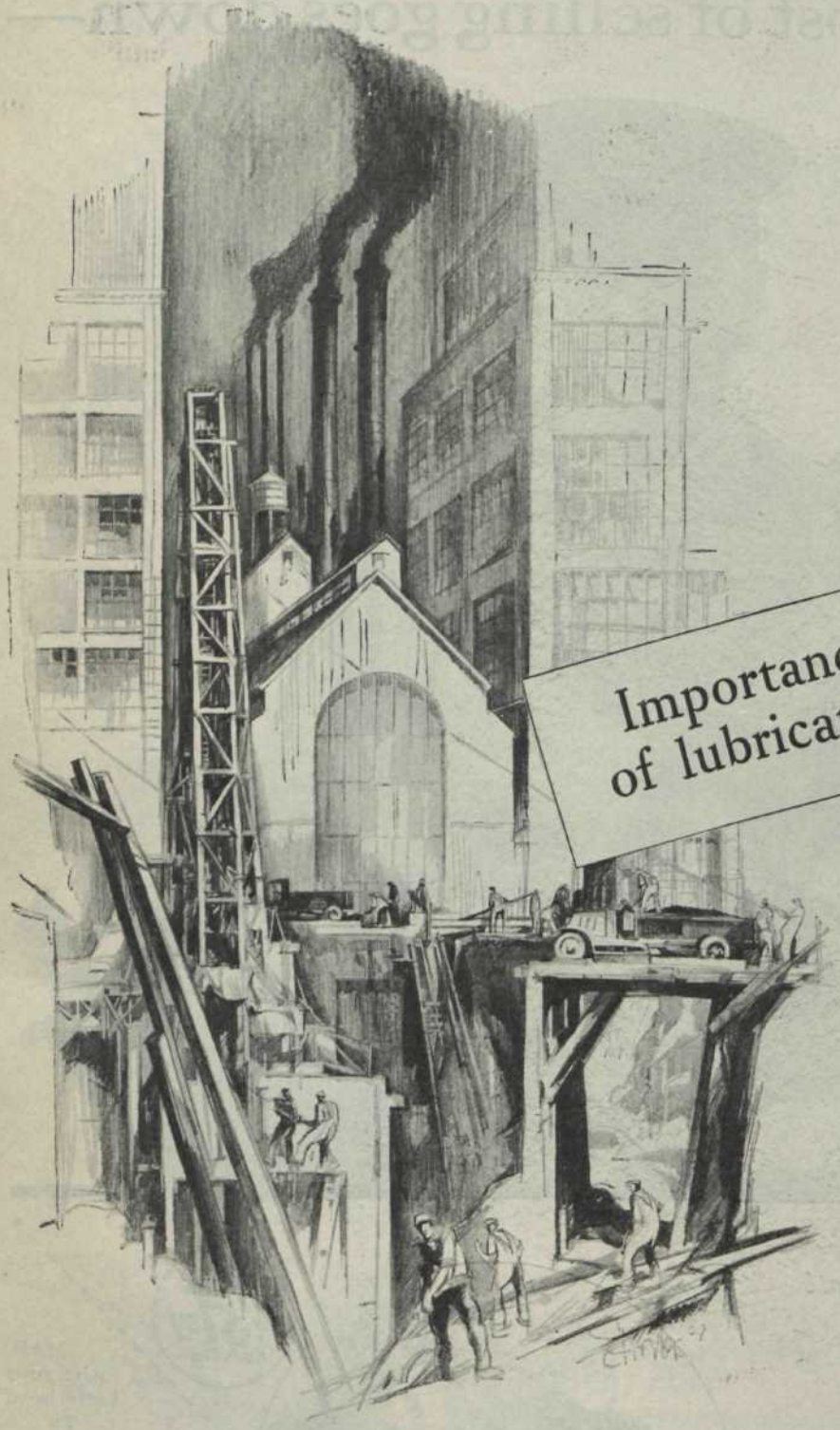
To Manufacturers of
Quality Products

Why you do not cut corners

The manufacturer who trims prices and quality leads a nervous business life. To reach the lower price he lowers the quality. But when he seeks repeat orders his customers remember the lower quality—the lower price is forgotten.

Expecting, as you do, to be in business for many years to come, we choose to operate as quality manufacturers on a more comfortable basis. We expect repeat orders. We wish our oils and services to be welcome next year, the next and the next.

Strict adherence to quality has built business from small beginnings to its present world-wide position.



Importance
of lubrication

BEFORE any industrial engine or machine can be efficiently operated a correct method of lubrication has to be worked out, and precisely correct oils applied.

The correct lubrication of any manufacturing plant is a complex, technical subject. This we summarize as the right oil, applied in the right place, in the right way.

When plant machinery is correctly lubricated it will: wear longer; require minimum power; need minimum repairs; operate with fewer interruptions.

Advances in lubrication knowledge are coming rapidly. To help develop these advances we work closely with the foremost builders of machinery here and abroad.

When our services are enlisted, our engineering staff keeps in contact with your plant personnel and cooperates with them to maintain efficient lubrication. The number of quality manufacturers who are availing themselves of this service is growing constantly.



Lubricating Oils
for Plant Lubrication

Vacuum Oil Company

Headquarters; 61 BROADWAY, NEW YORK
Branches and distributing warehouses throughout the country

When writing to VACUUM OIL COMPANY please mention Nation's Business



WE ARE indebted to the esteemed *Washington Post* for calling our attention to a government publication on Hog Astrology.

How we missed it we don't know. Probably because February has only 28 days with two holidays which cut down our working hours devoted to looking over the Government output which goes on ceaselessly, it seems, regardless of holidays and attenuated months.

We had seen the Government's studies on the Diet of University Boat Crews, on the Processing of Persimmons to Render Them Astringent, on Norwegian Laws Concerning Illegitimate Children, on Fleas Found on Wild Animals in Bitter Root Valley, Montana, on Experimental Measles in Monkeys, and particularly the Preliminary Note on the Toxin-producing Anaerobe Isolated from Larvae of *Lucilia Caesar* (Mussolini?), but we had overlooked completely the factors affecting the price of hogs.

Such oversight would have brought well-merited rebuke from our readers, for this bulletin doubtless will, if not quite, solve the ever-present farm problems.

A fair warning. This is no bulletin for weaklings. It will call for the best "astronomical mathematics," as Governor Stubbs once called them, for, says the bulletin, "mathematics will solve the economic problems of the farmer just as it can be employed to study the movements of the stars."

To get under way. To find the price of hogs next November, say, we take the "regression equation" as given on page 34 of the bulletin, as follows:

$$(1) \log X_u = -0.09443 \log X_1 + 0.15888 \log X_2 - 0.21986 \log X_3 - 0.23675 \log X_4 - 0.07250 \log X_5 + 2.23777 \log X_6 + 0.04759 \log X_7 + 0.22659 \log X_8 - 0.03036 \log X_9 + 1.63099 \log X_{10} - K.$$

Doubtless feeling that some explanation is necessary, we are happily told that—

These coefficients of determination are statements of the proportion of the total variability of the dependent factor, hog prices, which for the period studied can be mathematically related to the variability of each of the other factors included in this particular study. It must be remembered that factors not included in the regression equation may yet influence price; if they do so either through or concomitantly with any of the independent factors already included, their effect is already included in the coefficient for such variables. It must also be remembered that these coefficients are computed while simultaneously allowing for the effect of the other variables stated, but not taking into account any of the other possible factors affecting prices. Dropping any of the significant factors from the group, or adding an additional factor to those considered, would cause a shifting in the computed net relation of the other factors to hog

Table of Contents

Linoleum Block Cover Decoration by Balcom

"BUSINESS, THE SOUL OF AMERICA?"	MERLE THORPE	13
THIS AMERICAN ASCENDENCY	GLEN BUCK	15
WHY THE STATE IS A POOR BUSINESS MAN	Senator W. C. BRUCE	18
Cartoons by Stuart Hay		
THE GHOST AT THE DESK	SAM A. LEWISOHN	21
Drawings by Charles Forbell		
THE CONGRESSMAN'S SIDE OF IT	As told to CHESTER LEASURE	24
Cartoons by Charles Dunn		
THE BUSINESS REVOLUTION OF 1927-'37	MERLE THORPE	27
Decoration by Herbert Pullinger		
BABBITT THROUGH THE AGES—IV	CHARLES DUNN	29
EDITORIALS		30
SHALL WE "PAY AS WE KILL"?	ERNEST N. SMITH	32
Illustration by Cesare		
WHY DO THEY CALL 'EM DRUG STORES?	WILLIAM BOYD CRAIG	34
WHAT ARE THE RAILROADS WORTH?	RICHARD WATERMAN	38
Cartoons by Albert T. Reid		
THE MAP OF THE NATION'S BUSINESS	FRANK GREENE	44
AS THE SIXTY-NINTH CLOSES	FRANCIS COPELAND	48
WHAT THE WORLD OF FINANCE TALKS OF	M. S. RUKEYSER	52
THE INVISIBLE PARTNER	ARTHUR H. LITTLE	64
"WHO STEALS MY GOOD NAME"	WILLIAM A. MCGARRY	70
BIAS VS. BUSINESS	HARRY BOTSFORD	76
AS THE MIDDLE WEST THINKS	ELMER MURPHY	83
TWIN CITY RIVALS	JAMES ESMONDE	90
AS I LOOK BACK	JOSEPH T. RYERSON	92
THE BUSINESS SIDE OF BUILDING	CARLTON SCHULTZ	98
FRENCHMEN DO PAY TAXES	PIERRE CRABITES	102
BUSINESS VIEWS IN REVIEW		108
RECENT FEDERAL TRADE CASES		114
SHALL GOVERNMENT GRADE FABRICS?	HERMAN BLUM	117
OURSELVES AS OTHERS SEE US		118
GOVERNMENT AIDS TO BUSINESS		122
ENGLAND NEEDS TRADE GROUPS		124
CHIPS FROM THE EDITOR'S WORK BENCH	RAYMOND C. WILLOUGHBY	126
CHAMBER "DO'S" AND "DON'TS"—VI	COLVIN B. BROWN	132
NEWS OF ORGANIZED BUSINESS	ROBERT L. BARNES	134
ON THE BUSINESS BOOKSHELF		140
HUMAN NATURE IN BUSINESS	FRED C. KELLY	142

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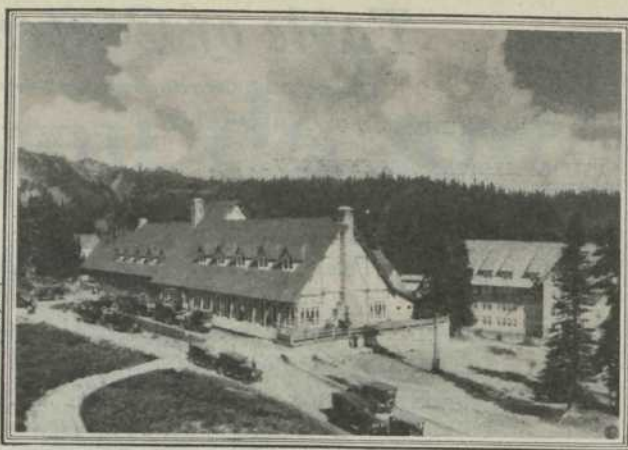
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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



Pleasure-bent—at Paradise Inn, Rainier National Park

Come to Play and Prospect

YOUR vacation next summer will not only be an inspiring holiday in the midst of America's most glorious scenery, but it will be an investment in opportunity if you spend it in the Pacific Northwest.

Visit **RAINIER NATIONAL PARK**, perhaps the most magnificent of this country's playgrounds, with its snow-mantled mountain 14,408 feet in height, its vast glaciers, crystal lakes, silvery waterfalls and rushing torrents.

Tacoma, city of 125,000, is less than three hours' drive over a marvelous highway, from this Park. It is the heart of a region offering infinite variety—the ideal base from which to explore this wonderland. Cool, green forests, blue inland seas, myriad beaches and camping spots; fishing, hunting, golf, motoring—just take your choice.

And while you are enjoying yourself you will see that Tacoma is the industrial and distributing center of a prosperous district. You will note that a permanent timber supply, the *cheapest electric power in the United States*, an equable climate for high productive efficiency, varied natural resources, a magnificent harbor, fine rail facilities, and a rich hinterland, assure almost unlimited industrial progress.

Such a vacation will pay dividends in health, pleasure and experience. Reduced summer rates—liberal stop-overs. Make your plans now.

Make this your year to take the "Pacific Coast Empire Tour." Stop at Spokane, Seattle, Tacoma and Portland. Then go on to San Francisco, Oakland, Los Angeles and San Diego.

Write now for illustrated folder.
Let our Tourist Bureau help you plan your trip.

TACOMA CHAMBER OF COMMERCE
1027 A Street, Tacoma, Washington

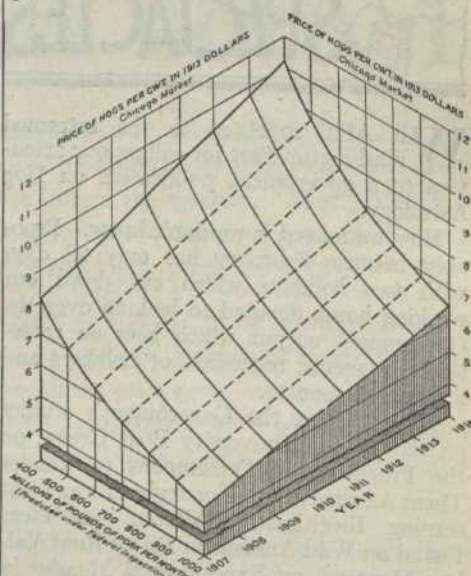


1 hour	2 hours	3 hours	4 hours
To primeval giant forests	To unexcelled camping and fishing	Rainier National Park	Ocean beaches or Olympic Mountains

When writing to TACOMA CHAMBER OF COMMERCE please mention Nation's Business

prices and hence some change in the values of the coefficients of determination.

To assist the more obtuse reader, we append a chart from the bulletin which illustrates the shifting relation of supply to price:



The purpose of this chart is to "help the reader to visualize this conception," and the following use of the chart is to be made:

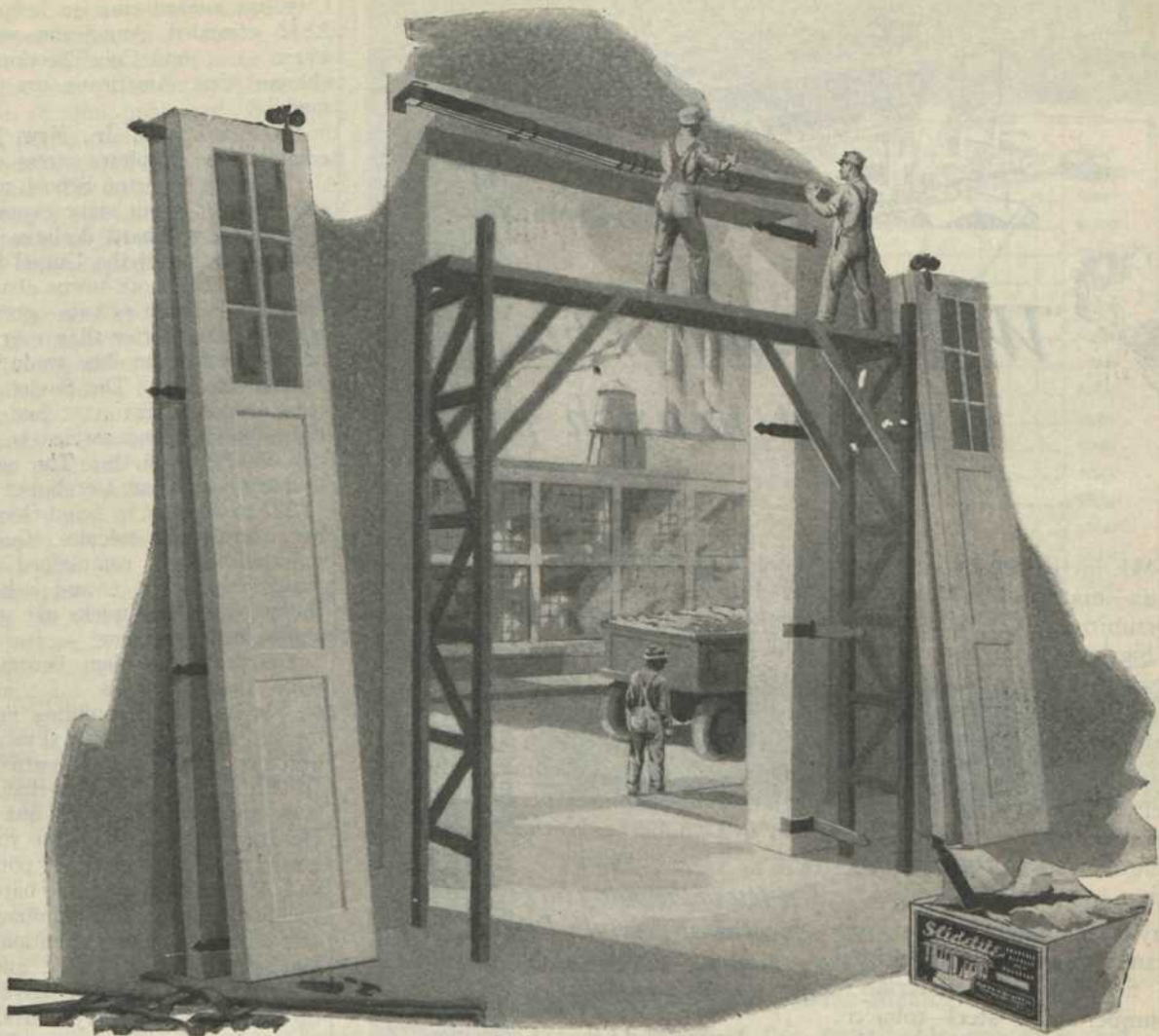
The price for each month may be conceived as represented by a small black ball, suspended above the line for its own date, at the height of the average price for that month, and as far over from right to left as indicated by the supply for that month. There would necessarily be only one ball for each month. These balls, however, would all be very close to the demand surface, a little above it for those months when the actual price was higher than the price as shown by the correlation formula, and a little lower for the months when the actual price was a little below the estimated price. In general, however, it would be seen that the demand surface approximated the position that these prices occupy, as they were thus suspended through space and time.

An encouraging note should be added from the author of the bulletin to the effect that "the waveline and other minor fluctuations are to be supplied mentally."

The only fly in the ointment, as we see it, is that after we have thus laboriously found the price of hogs for next November, what is to prevent the eaters of porkchops, who perchance will not have worked out the price in this astronomical manner, from refusing to pay said price?

Probably another bulletin from the Government will settle this point.

PARADOXES in a month's news: Charlie Chaplin's receivers find \$913,372 in the comedian's banks . . . and Harvard establishes a movie course in its business school. Senator Wadsworth says Senators flout dry law violations . . . and the Grain Exchange reports that strength in rye influences the price of wheat. Gov. "Ma" Ferguson pardons 3,124 Texas convicts. . . . and Rosita Forbes, traveler and writer, says America is law-ridden. Sir Oliver Lodge thinks Bible marvels are getting more support from science . . . and a Tennessee court upholds the constitutionality of the anti-evolution law. Citizens of



Doing the job over

YOU'D be surprised to know that a large percentage of our volume is in replacements.

Scarcely a day passes that one or more of our service branches are not called on to tell somebody what to do with doors that won't work.

In nearly every case, the trouble is that somebody — builder, architect, owner; generally owner—"saved money" on

cheap door-hardware; and the result is that the job has to be done over. A door that's improperly equipped doesn't work; and a door that doesn't work is worse than no door at all.

"Doing the job over" is a costly operation; hardware too light for the work; or made to sell at a price; or mistakenly designed for its duty. The right thing even at a higher price would have cost less in the end.

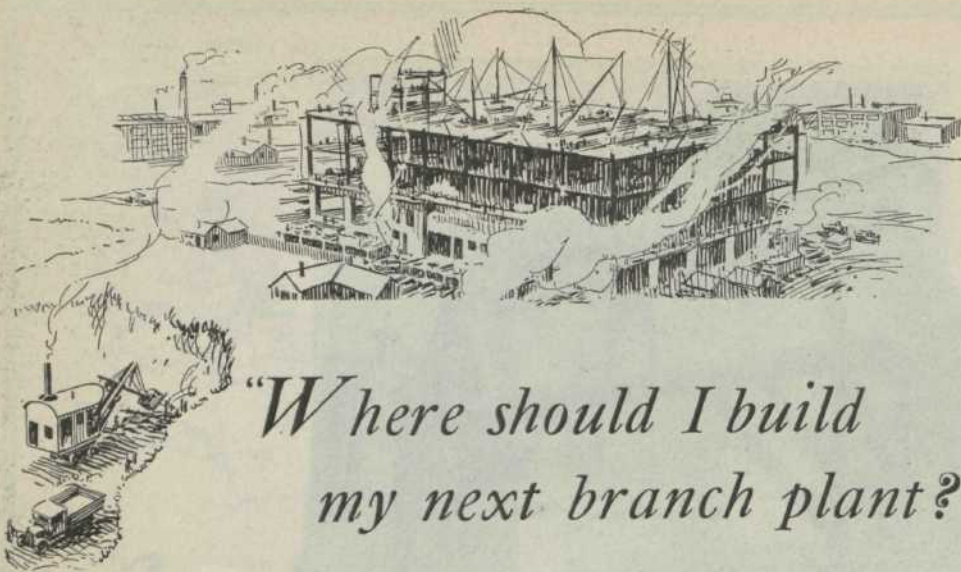
Richards-Wilcox doorway engineers will show you how to avoid all this, if you ask them. Their service is free; but it is worth money to you.

Richards-Wilcox Mfg. Co.
"A Hanger for any Door that Slides."

AURORA, ILLINOIS, U.S.A.

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When writing to RICHARDS-WILCOX MFG. Co. please mention Nation's Business



"Where should I build my next branch plant?"

VOLUME increasing by leaps and bounds—markets of almost limitless opportunities. Never in our history has big business expanded as in recent years. But this rapid growth has put additional strains upon the machinery of production and distribution.

Big men of industry—planning for this expansion—have turned their eyes to the Norfolk-Portsmouth area of Virginia.

Midway on the Atlantic Coast Norfolk-Portsmouth is centrally located to great fields of raw materials—cotton—lumber—coal—steel—tobacco. From Europe and South America come sugar, molasses, rubber, iron ore, coffee—heavy chemicals—at low freight rates.

For shipments of finished products Norfolk-Portsmouth is excelled by none. Eight railway systems—linked together by a jointly owned belt line—carry Norfolk's products by easy short hauls to the great consuming markets. By sea—express coastwise steamship service at freight rates.

Norfolk labor is high class—contented—low in cost. Less than 5% is of foreign birth in striking contrast with the great cities of the North. Hydro-electric and steam power are available at low cost. The moderate climate means a high health rate and pleasant living conditions—permits of all-year operation of outdoor industries.

* * *

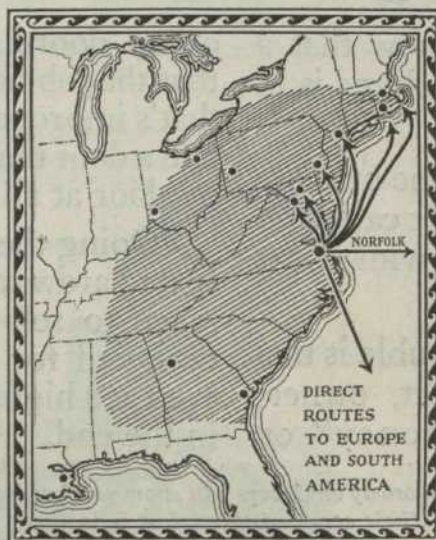
Norfolk's abundant acreage provides excellent plant sites at moderate cost.

Our Industrial Commission will be glad to assist you by preparing an economic and engineering analysis of the Norfolk-Portsmouth industrial area as related to your specific enterprises.

All inquiries held in confidence. Address Norfolk-Portsmouth Industrial Commission, Dept. N-1, Chamber of Commerce, Norfolk, Va.

A few of the many large industries located at Norfolk-Portsmouth:

American Linseed Company
Dwinnell Wright Company
Ford Motor Company
International Cement Corporation
Sam Fickelstein & Company
Stone & Webster



Quick short hauls to half the population of the United States. By sea—express coastwise service at freight rates to the Atlantic Coast cities.

NORFOLK-PORTSMOUTH

Chamber of Commerce

When writing to NORFOLK-PORTSMOUTH CHAMBER OF COMMERCE please mention Nation's Business

the United States pay \$2,172,127,321 on their 1925 incomes . . . and New York City has a hard time to keep in nickels. 2,842 stranded Americans seek aid in Paris . . . and Col. Theodore Roosevelt charges that Americans are "prosperity mad."

Matthias Nicoll, Jr., New York health commissioner, deplors stress on long life . . . and a Wharton School survey shows that men of about sixty captain business. The Shipping Board declares it will continue operation of the United States Lines . . . and 105 more towns abandon or sell lighting plants to private operators. Paris makes skirts shorter than ever . . . and an arbiter for the shoe trade is suggested by shoe dealers. The Soviet government bans American jazz . . . and trans-Atlantic radio-telephone service is hailed as a new international tie. The new immigration law would cut Germany's quota from 61,227 to 23,408 . . . and Germany begins her campaign for colonies. Queen Marie is reported to have complained of American exaggerations . . . and a headline says thirty billion toothpicks are produced annually in this country.

The traffic problem becomes acute in more American cities . . . and the head of the New York building managers and owners' association says skyscrapers speed business. Influenza adjourns politics in Britain . . . and more than 13,000 new laws are expected from our legislatures. Dr. Ira S. Wile believes the young are disgusted with the "same old porridge" . . . and American colleges are hard put to accommodate increasing enrolments. Ford's attorneys announce intention to picture him as "trust buster" . . . and the American Federation of Labor moves to unionize the automobile industry. Mrs. Fox Graves urges the New York assembly to spend \$100,000 for publicity . . . and Justice Seeger rules for publicity in the Browning case.

ADD paradoxes: On Capitol Hill a bill is proposed to appropriate \$250,000,000 to take care of the agricultural surplus . . . and another bill appropriating \$125,000,000 to build a dam, one purpose of which is to reclaim land to make more agricultural surplus.

SUPERINTENDENT O. E. MAER, of the Wichita Valley Railway Company, Wichita Falls, Texas, proposes the name of Governor Moody for membership in our Fewer Laws Club, quoting from the Governor's first message to the legislature:

I believe it to be an axiom of political science that it is better to have a few laws, wisely enacted and well administered, than to attempt to regulate all the details of human conduct by legislation.

Accepted. But the fact that six governors are now enrolled should not weaken our vigilance. We get discouraged at times.

In spite of our active membership in New York state, a legislator at Albany introduces a bill requiring all proposals of marriage to be in writing.

In spite of our active membership in the middle west, a legislator proposes a law

compelling flappers to hook up their galoshes; another prescribing the size of biscuits served at restaurants and hotels.

The official inspector of hotels of the great state of Kansas stands some six feet three in his socks. He's before the State Legislature of the renowned Sunflower State now, urging there "ortabealaw" compelling hotels to install beds six and a half feet in length. The hotel keepers retaliated by proposing a law limiting the length of hotel inspectors to five feet six.

It's very discouraging!

HOPEFUL note: In Germany, the Minister of the Interior holds out a prospect of the repeal of no fewer than a million police orders, every one of them having the full force of law.

The General Assembly of Maryland has before it a proposal to repeal 400 laws, and a bill before the Ohio Legislature provides for the repeal of 200.

We earnestly bespeak the prayers of the Fewer Laws Club for the success of the Ohio venture particularly, since its passage will restore the status quo and enable us to race a jackass faster than six miles an hour.

GLEN BUCK, whose article, "This American Ascendancy," leads this month's issue, is the author of a book of the same name published by A. Kroch & Company. In that little volume Mr. Buck makes what seems to me the best presentation of the vital part that American business plays in American life that I have ever read. His knowledge of business and business men is first-hand and accurate, for, in addition to having written many books and having been a newspaper owner, he has been connected with Henry Ford, the Packard Company, and others, and is now head of the Glen Buck Advertising Agency, Chicago.

To the growing literature on the ethical and social side of American business, Mr. Buck is one of the most important contributors.

THERE'S something to think about in this from R. W. McNeel, of Boston:

As one veteran banker has stated it, "In my long experience I have frequently seen the United States going to hell, but I have never yet seen it get there."

HARRY W. BERNSTROM, architect, Barrington, Rhode Island, writes that he read a number of excerpts from, and editorial comments on, Senator Borah's article "The Cancer of Too Much Government" before his copy of *NATION'S BUSINESS* containing the article reached him.

Mr. Bernstrom said each newspaper reference caused him "irritation because as a subscriber I was getting an article rehashed and second-hand when presumably my subscription entitled me to the opportunity of at least reading the article by the time the newspapers were commenting on it editorially."

Doubtless, as Mr. Bernstrom says, this has also irritated other readers. We are sorry, but what can we do about it if the bright newspaper boys grab the first copies of *NATION'S BUSINESS* and put some of the important contributions on the telegraph

Devoted to the nation's greatest business HOME-MAKING

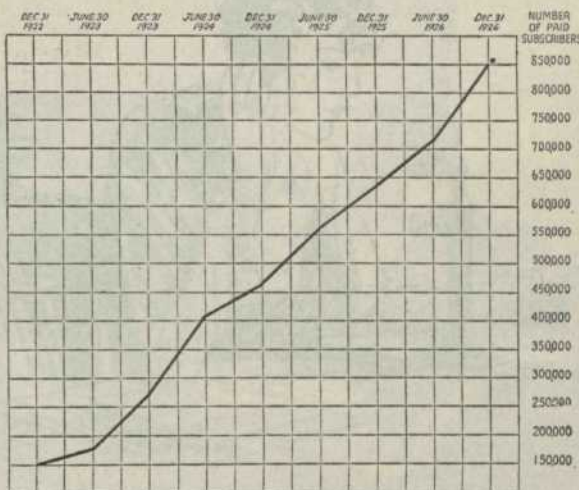


Chart of BETTER HOMES AND GARDENS growth

**850,000 new customers
in less than five years**

THE growth of BETTER HOMES and GARDENS to a circulation of 850,000 in less than five years shows the fundamental need for a magazine devoted exclusively to the nation's greatest business—Home-Making.

The effect of this remarkable growth is not limited to the publishing field. Leaders in general business recognize that BETTER HOMES and GARDENS has become a vital influence on family purchases—

And many advertisers who check results have found that dollar for dollar, BETTER HOMES and GARDENS has produced the most profitable returns on their advertising investment.

BETTER HOMES and GARDENS

E. T. MEREDITH, Pub., Des Moines, Iowa

ADVERTISING OFFICES:
NEW YORK, PHILADELPHIA
CHICAGO, MINNEAPOLIS
KANSAS CITY, ST. LOUIS
SAN FRANCISCO

Thousands of
business men
keep in touch
with home de-
velopment by
reading Better
Homes and
Gardens each
month.

RADIOGRAMS



The message service of modern business houses

Firms that have daily dealings with customers, agents, branches and principals overseas are turning more and more to this new-day communication service. Radiograms go direct to the country of destination—entirely without relay. That is why they offer advantages of speed and accuracy.

Make this experiment. The next time you have a message calling for an immediate reply tell your secretary "Send this as a Radiogram. I want this message to go

"Via RCA"

In New York, Boston or Washington, phone for an RCA messenger for speedy Radiogram service: In other cities file Radiograms to Europe and South America at any Postal Telegraph office; to Japan, Hawaii and the Dutch East Indies at any Western Union office.

Send Today for Radiogram Rate Sheet

RADIO CORPORATION OF AMERICA

RCA OFFICES IN THE FOLLOWING CITIES

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64 Broad Street.....	Hanover 1811	25 East 17th Street.....	Stuyvesant 7050
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120 Cedar Street.....	Rector 0404	19 West 44th Street.....	Murray Hill 4996
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CHICAGO, 10 So. La Salle Street.....Dearborn 1921
SAN FRANCISCO, 28 Geary Street.....Garfield 4200
HONOLULU, T. H., 923 Fort Street.....6116

press wires? We try to "stagger" our mailings so that the magazine reaches all subscribers on the first of the month. But the telegraph is quicker than the mail.

In facetious mood we might answer that duller material and untimely might keep NATION'S BUSINESS off the news wires, but then our lively, up-to-the-minute subscribers would be on our backs.

Seriously, the alternative is the subscribers' satisfaction in getting the complete article whereas the news reports are necessarily curtailed.

THE Bureau of Public Health of the United States of America now defines "Cleaning" so that the layman may understand," as follows:

Cleaning.—This term signifies the removal by scrubbing and washing, as with hot water, soap, and washing soda, of organic matter on which and in which bacteria may find favorable conditions for prolonging life and virulence; also the removal by the same means of bacteria adherent to surfaces.

Now that the Government has settled this important question, we approach our morning bath with equanimity.

IT WAS that eminent First Lord of the Admiralty, Sir Joseph Porter, K.C.B., who, standing on the quarter deck of the immortal H.M.S. *Pinafore*, related in musical numbers to "his sisters, and his cousins and his aunts," and the assembled crew, how he rose from office boy to his present state because he "polished up the handle of the big front door," and whose parting advice to all landsmen was: "Stick to your desk and never go to sea, and you all may be rulers of the Queen's Navee."

The appositeness of this satirical admonition is to be found in the report that the Shipping Board has recently made to the Senate on the upbuilding and maintenance of a merchant marine. Entirely lacking a background of marine experience the Board's one certain conviction seems to be that if it receives money enough from the Treasury it can "establish an economical and efficient Government-owned and operated merchant marine."

Page Sir Joseph!

READING the Bruce article in this number: One of the complications arising out of government operation of a business is the competition with private business in which the government solicitors hold out to a shipper, say, a reduction of taxes if he ships over government lines. On its face it's strong medicine and often prevails unless the shipper thinks through—but let this yarn illustrate:

A gentleman appeared at the parsonage where the pastor was noted for his wide charities.

"O, sir," said the caller, "I have learned of a most distressing case. A widow, with five small children, and she seriously ill. And to make matters worse the landlord threatens to eject her if \$50 rent money is not forthcoming this afternoon."

"Terrible," replied the pastor, his eyes moist. "Most distressing. We must do something. Who is the landlord?"

"Unfortunately, I am in that unenviable position myself."

M.T.



"Surely Wilcox isn't delinquent"

"I'm sorry to say he is, and for the second time," replied the accountant. "Recently he's had several serious setbacks in his business. We'll have to watch him."

When an old customer suddenly becomes slow-pay, it's startling. Certain accounts seem so absolutely gilt-edge. Yet now and again the best of them will slip. And only the most perfect accounts-receivable records will show it instantly and automatically.

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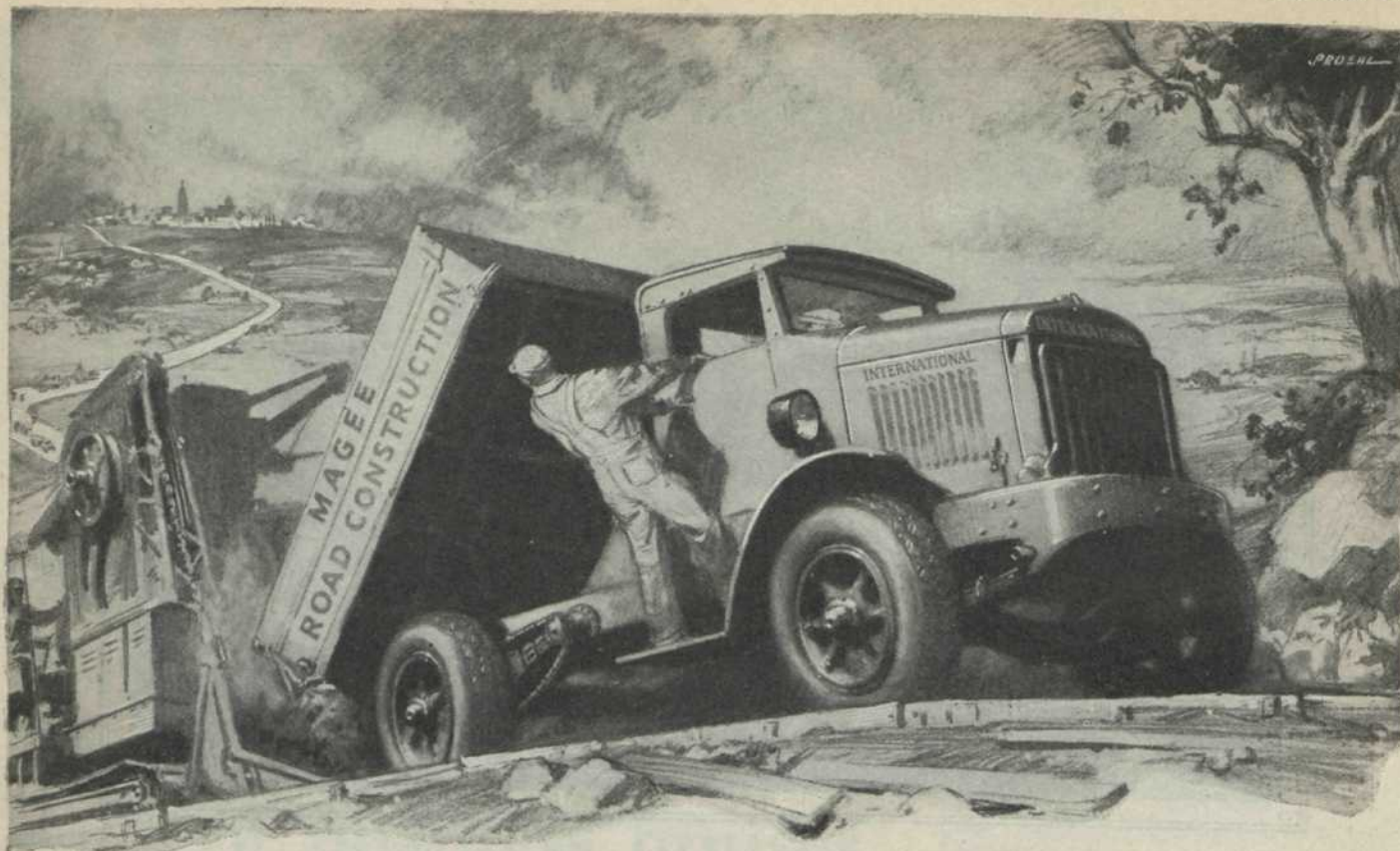
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Write us and we will give you the names of contractors who build roads with International Trucks in your own part of the country—such men, for instance, as S. R. Rosoff, New York, who operates 32 Internationals; L. M. Gray of Jacksonville, 18 Internationals; M. O. Weaver of Iowa Falls, 41 Internationals; and Claude Mayhugh of Los Angeles who owns 26 Internationals.

OVER a billion dollars a year for building roads and maintaining them—one of the biggest industries in the country and one of the hardest jobs that motor trucks are given to do.

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—making it easy for others to follow!

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The Harvester Company has been building good trucks for more than twenty-two years, and they are building better trucks now than ever.

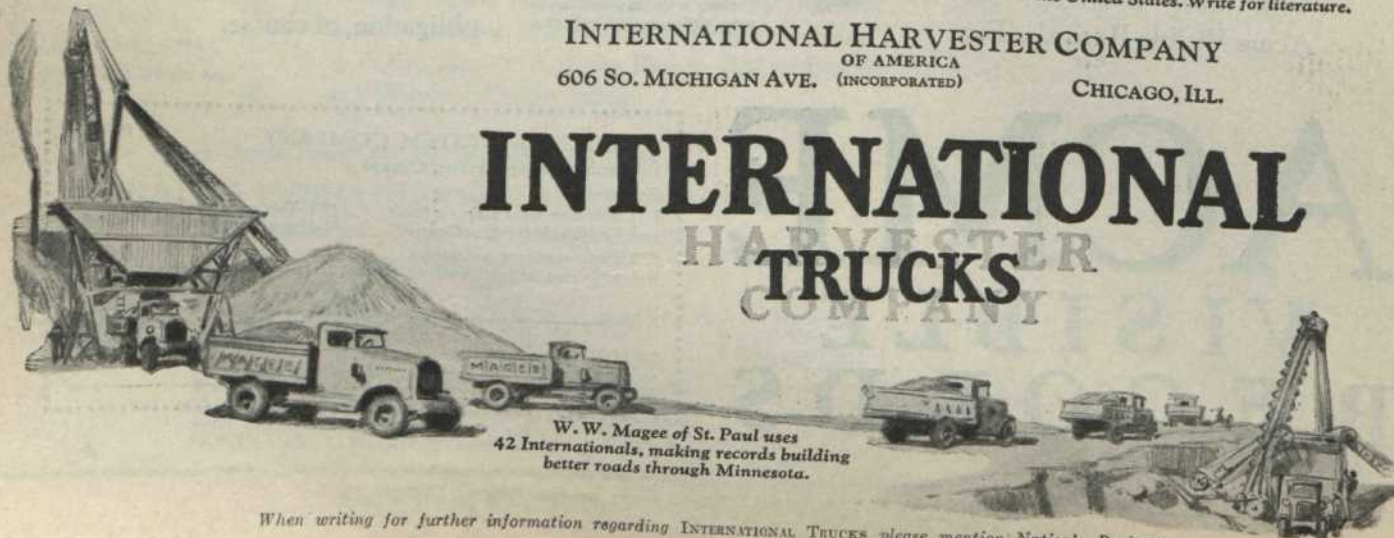
The International line includes the Special Delivery for loads up to $\frac{3}{4}$ ton, 4 and 6-cylinder Speed Trucks of 1 $\frac{1}{4}$ -ton and 1 $\frac{1}{2}$ -ton sizes, Heavy-Duty Trucks ranging from 1 $\frac{1}{4}$ -ton to 5-ton sizes, Motor Coaches, and McCormick-Deering Industrial Tractors. Served by 125 Company-owned branches in the United States. Write for literature.

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"Business, the Soul of America?"

BY MERLE THORPE

"**B**USINESS is the soul of America." Foreign visitors, coming to borrow or beg, tell us so through profitable newspaper syndicates, or lectures at \$2.00 and \$3.00 and \$5.00 per. Demagogues and parlor pinks scream the indictment *ad lib.* The pulpit prays for us.

Babbitt-baiters shoot shafts of ridicule at the Big Butter and Egg Man; the intelligentsia patronize; clever writers tell us they must fabricate thrilling adventure for the tired business man.

We put on a ready-made suit of sackcloth, flick cigar ashes over our vests, and bow our heads in shame. The soul of America is business, and business is sordid, money-grubbing.

But here comes a voice as one crying in the wilderness bidding us lift up our heads. "Our business intelligence," says the author in the article following, "has so far outgrown our political intelligence that it looms like a white lily on a stagnant pool."

Furthermore, the author has the temerity to say that business idealism and integrity are the cause of "This American Ascendancy"!

The article will not convince nor convert the professional detractor of American business. But it will be worth while if it causes the business man to throw off his apologetic attitude and stand up a little straighter.

When I went to college twenty years ago, I was told there were just three white-collar jobs—the law, medicine, and the ministry. These are the professions. Professions, because they minister to mankind. The lawyer cures the legal ills of his neighbors; the doctor cures the physical ills; the minister the spiritual ills.

Business was looked upon as something a little bit lower than the professions. It took courage for a college man to say he was going into business. Shop-keeping, trade and barter, commercialism, money-making.

Why should the American business man be ashamed to admit he is making money? How measure business success except by the profit yardstick? The yardstick of the professions is the saving of a soul, obtaining justice for a client, the saving of a life. But a fair profit is just as professional. A bankrupt injures society no less than a poor doctor or a poor lawyer.

Monuments are not built to bankrupts—business or professional.

This article should help business men to be proud that they have the profit motive. With few exceptions they are making money honorably, honestly, and for the good of the community. They, too, are professional in that they are providing material comforts for their fellow men. Business is raising the standards of living of millions of people, thus facilitating spiritual and mental growth. Luxuries of ten years ago—today's necessities! And the business man has made them so, not entirely from a motive of gain, but also because of an inner satisfaction, found alike in all of us—doctor, lawyer, merchant, chief—the satisfaction of having been of service to his kind.

Business, the soul of America? Why, yes, come to think of it. And may the soul march on, ministering to the comfort, convenience, and contentment of humanity. For that way lies also artistic, mental and spiritual development.



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This American Ascendancy

By GLEN BUCK

I AM CONVINCED that almost the finest achievement of mankind is the very tangible thing that we call *American business*. For the first time in history the foremost activities of a great nation are running in parallels with the onswEEPing ideals of the world's straightest thinking.

Our business intelligence has so far outgrown our political intelligence that it looms like a white lily on a stagnant pool. In the stress of the honest day's work we have at last convincingly demonstrated that true efficiency and high ethical standards are inseparable. And the result is a moral achievement almost unmatched in time.

HERE is one of the most splendid facts of our day: It has become a difficult matter for a man to succeed in American business who has not a high sense of integrity. Of course, there are still men of no virtue who are able to secure legal title to great quantities of money. There are cheap opportunists shrewd enough to ride high on the wave that leads the trend of the times.

Probably the first law that primitive man ever enacted was "thou

shalt not steal." We still have thieves, however, and some of them look important. But the most cynical scoffer cannot fog the fact that American business is predominantly high-minded. It has been my good fortune to know the industry of my country from a peculiar and wide-ranged intimacy, and to play some small part in its enthralling, never-ending drama. And I have found dominating therein, as every informed man must find, a thrifty and growing idealism that already towers high from a solid grounding of uncompromising integrity.

SOMETIMES think that the best side of a man is his business side. He is apt to think best with that part of his brain. He is apt to act best with the muscles that control that side of him. Away from business he may be traveling nowhere at 60 miles an hour, but in his work he must keep steady pace and his eye on the goal. He is delightfully disciplined by his work.

THE WIT who defined a bank as a place where directors meet to make up four-somes, must be the offender who invents a giant share of the current superfluity of sad jokes involving the tired business man and the girl-shows. My own experience with these alleged entertainments convinces me that they are attended almost exclusively by lusty "nit-wits." And that same experience prompts me to set down here the illuminating fact that most of the really cultured men of my acquaintance are business men, some of whom, in common with other people, get tired occasionally. One of the foremost Greek scholars of the world was a successful American business man. A



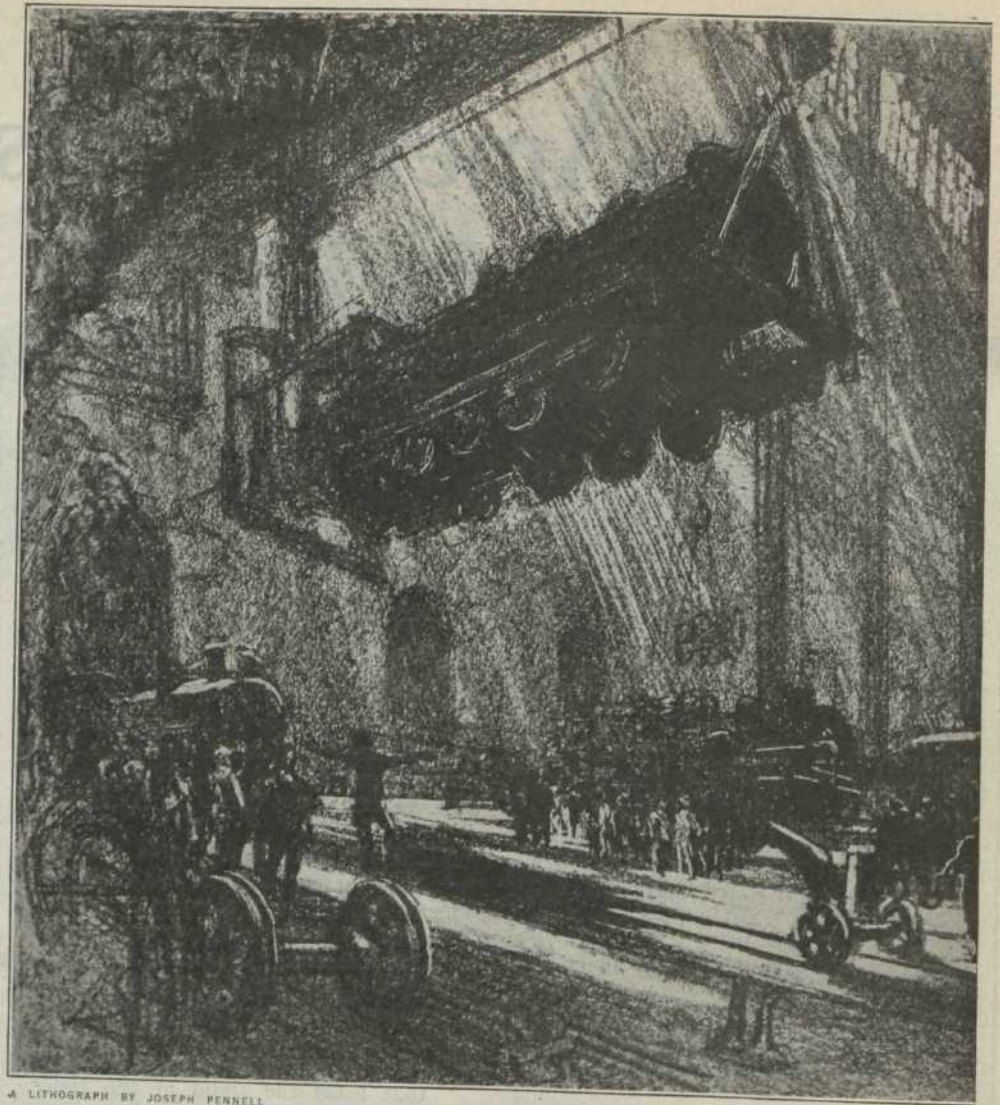
dozen of Chicago's industrial leaders could earn good livings by the pictures they paint in spare moments, and the musical compositions of another are played by symphony orchestras the world over. A venturesome Philadelphian who manufactures electrical equipment has recently written one of the almost "best sellers." An industrious advertising man is the author of a new and worth-while life of Jesus. I know a broker who learnedly manipulates a high-power microscope, a department manager who owns a Caruso voice, an auditor who is a scientific ornithologist, a lumberman who knows the paths of the stars, a shopkeeper who is a world-famed botanist, and my former banker neighbor, the vice-president of the United States, is a musician of rank. Unnumbered thousands of "office slaves" are discriminating collectors of first editions, fine etchings and the best of art's handiwork. And where do our great and wise philanthropists come from? If America is making a conspicuous contribution to industry, her industry is also making a magnificent contribution to manhood.

HAVE small patience for, tolerate not at all, the man who cries from the house-tops that business is honest because "it pays to be honest." Thieves and cheaters there will be until all men learn to think simple problems through clearly. But positive am I that intelligence and straightforwardness have succeeded in American business because men who possess these qualities have best chances for success.

THESE great steel mills, this stock and those bonds, the balances of trade, the avenues of distribution, the lumber industry—they positively are not impersonal and distant things. They are only a little less intimate than are your undergarments. They exist for the sole purpose of being of real service to you—and to me. That we may have comfortable houses and beautiful furnishings, that we may be finely clothed and satisfyingly fed, that we may be carried from our homes and back again in security, all of these contrivances have been ingeniously evolved. They are but feeders to our personal needs. And if we look at them with open eyes, we are almost sure to see that they may be direct contributors to our spiritual, as well as to our material welfare.

THAT we have become the richest nation in the world—even the richest nation in history—doesn't really mean very much. But that we have reached that achievement through tremendously increased efficiency in production means a great deal. Everything which we call wealth is just potential and actual raw material plus man's labor. Money itself is but a convenient measure of wealth, stored-up power to command wealth. In a better way than it has ever been done before on so large a scale we have turned nature's resources into useful and beautiful commodities. By ingeniously developing new ways of greatly multiplying man-power, and at the same time lessening drudgery, we have literally lifted a nation by its own boot-straps.

And in that process a keener, cleaner manhood has been developed, else the remarkable pace would not have been possible.



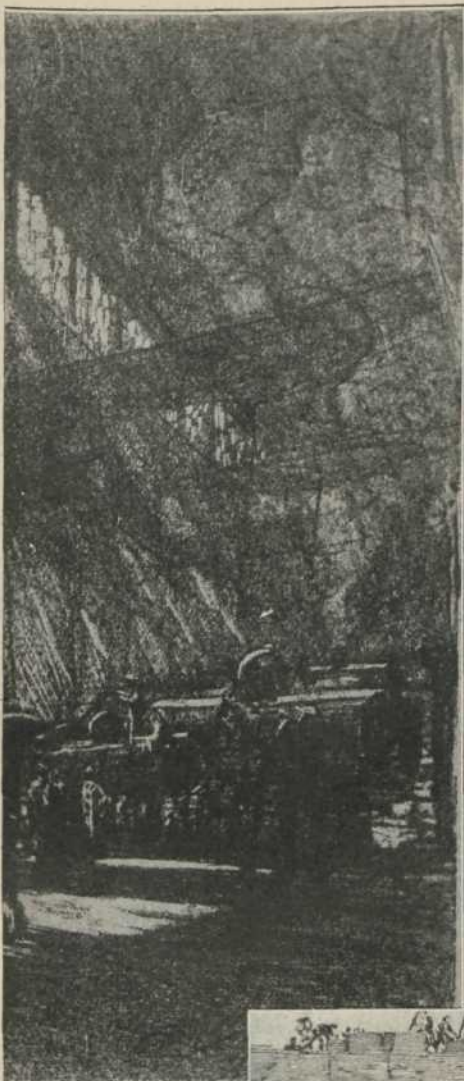
A LITHOGRAPH BY JOSEPH PENNELL

ALTHOUGH business is no science, and never will be until trillion-phased human nature is finally classified and catalogued, science is its coadjutor. Interdependent, neither would have reached its present advanced state without the other. The physicist and the chemist are rapidly growing industrial assets. The experimental laboratory has become the factory's "holy of holies." In the scientific spirit and method, commercialism is finding new impetus and inspiration. Soundly it is working out its destiny. And to its everlasting credit must be recorded the fact that it has been quick to eschew pseudo-science. The hazy developments of the half-baked scientific mind, which have served only to pile up red tape, indigestible detail and expense, are for the most part already discredited and discarded. Business is the means by which science is making of itself a mighty human service.

MORE WORK is being done with comparatively less drudgery in America today than has ever been done by any similar number of people anywhere, any time. That our machinery has tremendously multiplied man-power is obvious. But that it has also substantially decreased drudgery is not so generally apparent. The man who tends a fine piece of machinery, which may turn out as many units in an hour as he could do by hand in ten hours or a hundred, is necessarily a more skill-

ful, and therefore a more intelligent man than he would be under the old conditions. And with the machine he does better work—or the machine would not be long tolerated. And that ability to do better work must inevitably add to the pleasure of the doing and the worth of the man. It is a thrilling fact that we, here in America, are making long strides toward the elimination of drudgery.

IT HAS long been my ambition to operate a steam shovel. I'm sure I'd like the job. I fairly envied a dextrous operator whom I saw using his huge scoop to sweep up the last bit of a great dirt pile. A dainty woman, with a skillful broom, could hardly have made a neater cleaning. The watching crowd almost applauded. I'm sure that that man gets quantities of real fun out of his work. But—a human pin of my acquaintance recently went through a great factory. "Interesting, but oh, so depressing," he drawled. "I shiver to think of all those men, standing there day in and day out, feeding those horrible machines that must eventually devour both their spirits and their bodies." It never occurred to this "literary person" that it might take quite as much intelligence, certainly more skill than he possesses, to operate one of the "monsters." Nor could he see that the men probably enjoy their work as much as he does his, and get from it quite as much that is worth while. A European king re-



More work is being done in America with comparatively less drudgery than has ever been done by any similar number of people anywhere, anytime. The man does better work with the machine—else the machine would not be tolerated

cently remarked that Mr. Morgan had a dull job. It all depends upon the point of view. But, anyway, I'd like to operate a steam shovel.

ON MY way into town this morning I walked under a ladder up which a workman was climbing. A clod from his hod hit my hat. Bad luck? No. For I was reminded of an old surmise of mine—that there still must be a few ragged edges of superstitions floating from the flagstaffs of American business.

Perhaps the industrial cycle is one. Perhaps the efficiency test is another. We are not hearing much of the cycle

in these busy days, because we have discovered, what we always knew, that business doesn't move in cycles, that conditions never repeat themselves, and that "periods of depression" are panics of timid minds, bad habits which we have mostly outgrown.

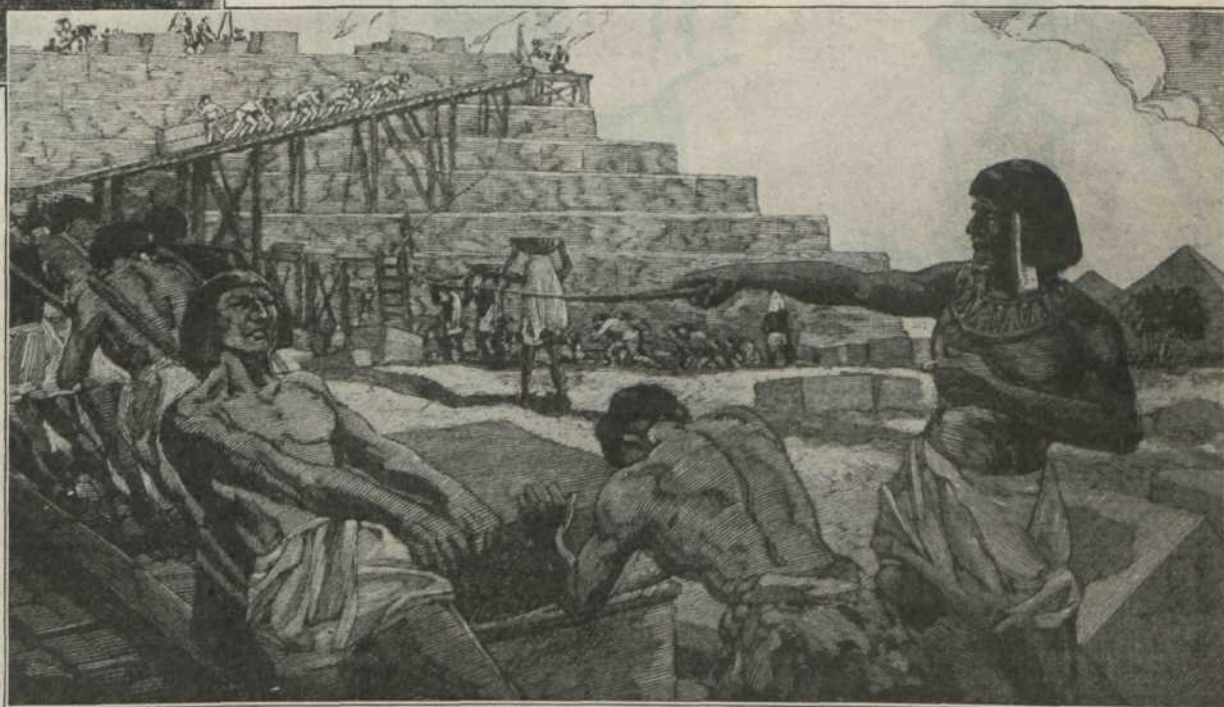
But the mental test we still have with us—in rags. Only recently I went carefully over "a simple questionnaire," chief instrument of this new form of torture. Not one successful man of my acquaintance but would have made a miserable failure of it. Yet it was supposed to be a test for the selection of office boys. And again, the executive who registered "highest efficiency" in a strenuous competition conducted by "an expert," recently employed by a great institution, soon thereafter was dismissed for gross incompetency. "The mental test," says an inner voice, "adds interesting and expensive red tape to the business, constructs barriers past which many desirable men cannot find passage, and it is a ridiculously poor substitute for penetrating discernment and common sense. But it may serve—it may serve good purpose as a rag of warning."

AMERICAN business is done in glass houses. Europe has not yet discarded its secret diplomacy and back-door commercial intrigue. But in this western world hugger-mugger practices in business are rapidly on the decline, and even in politics they have achieved distinct unpopularity. Our advertising has brought business out

soon discovered. I know of no quicker way for a man to eliminate himself from success than to gain a reputation as a liar. Our great banking and credit systems, of which Europe has no counterpart, are predicated upon the assurance that a man's word is as good as his bond.

IS ADVERTISING ethically sound? It is if it is an efficient helper in getting materials and commodities from places where they are not needed, to places where they are needed. The answer is obvious. Advertising that increases the cost of sales is either poorly conceived or has not yet had time to fructify. By its ability to multiply sales it not only decreases their individual costs but, by enabling commodities to be produced on larger and better scales, it lessens production prices to the consumer, and works constantly for the betterment of the commodities themselves. Ethics would take a backward step if advertising were suppressed.

ONE OF the most wholesome tendencies in present American business life is the rapid fading arrogance from high places. It is deeply satisfying to contemplate that the distinction which mere money, or position, brings to the individual, is now giving him little honor, unless maybe he may also be worthy of it. American business is essentially democratic, far more so than is American government. And as an efficiency measure it is eliminating swank and the swanker. The little man



REPRODUCED FROM A PAINTING, COURTESY HERCULES POWDER CO.

into the open, for the world's close scrutiny.

THE DECAY of lying is an apparent American phenomenon. Even the old doctor of divinity's definition that a lie is "a misrepresentation of fact, with intent to deceive a person who has the right to know the truth," no longer does conscientious duty. A lie doesn't fit into the machinery of today. Its cogs won't mesh and it is

may pompously guard his door with pretense, but the way to the achiever is always open.

The American public, even more successfully than the American press, is beginning to understand that there is no longer distinction to be had from mere acquisitiveness, and that arrogance in high places is just rats' nests in attics.

(Copyrighted, 1927, by Glen Buck)

Why the State Is a Poor Business Man

By WILLIAM CABELL BRUCE

U. S. Senator from Maryland

Cartoons by Stuart Hay

THE CORNER-STONE on which the vast wealth of the United States has been built up is individual self-reliance. To it are attributable the moral discipline and the mental resourcefulness which make the average American so alert and astute in turning to his personal advantage every opportunity for profit tendered to him by the bountiful land in which he lives.

It is true that he has been shielded by legislative tariffs from foreign competition; but within the province of domestic competition, he has had to look solely for material promotion to the superiority of his own personal qualifications for success. Until recently, in this field, government

ity or patronage that interferes with the free play of these forces is deeply to be regretted. It ignores the plainest lessons of our national history. Its tendency is to reverse the principles of conduct which have imparted such an extraordinary degree of strength and flexibility to the American business character, and to enfeeble the per-

ity of opportunity, the latter, of course, is the indispensable ally of the former.

But for government, business might sow but it would have no assurance that it would ever

reap. And so long as government in the United States sticks to its function of restraining



"If business handled its employment problem as the Government does..."

patronage and paternalistic benevolence have had no place in his calculations. He has asked only that the state would not unduly abridge his personal liberty in the conduct of his business and that the law would not throw any artificial impediments in his pathway to fortune.

Self-help and Real Thrift

IN OTHER words, he has relied for advancement upon that principle of self-help which is the economic foundation of not only all individual thrift but of all community thrift as well. As a matter of course, this habit of self-reliance has been attended by all those fine human attributes which do so much to enrich commonwealths; that is to say, by individual initiative, individual energy, and individual enterprise. These are the spiritual forces which have worked the miracles of American business prosperity and within the short term of three hundred years made our country the wealthiest and most powerful on the globe.

Every extension of governmental author-

sonal and business virtues which even more than the lavish gifts of Nature have made American industry such an impressive thing in the eyes of the world.

"Each man for himself and the devil take the hindmost" is a selfish and brutal maxim of conduct; but "each man for himself and all for the hindmost" is the best maxim that has yet been adopted by human society for utilizing what is strongest and best in human nature. The only other alternatives are Communism, which has never worked anywhere except in the cracked craniums of frenzied Bolsheviks; Socialism, which has never failed, when tried, to exercise a more or less benumbing influence upon human energy; and the tentative Paternalism which has recently tinctured federal legislation so deeply.

The cry set up by the late President Harding for "more business in government and less government in business" was a timely one. Business would amount to nothing, to be sure, if there were no government to keep men from injuring one another. As the vindicator of personal and property rights and the guarantor of equal-

men from injuring one another, no fault, on the whole, is to be found with the manner in which it performs that function.

Where Government Falls Down

ON THE civil side, its operations are carried on in a spirit distinctly less zealous and energetic than that which marks the operations of great business concerns and except perhaps in services controlled by the military or scientific spirit are accompanied by a degree of pecuniary waste which would not be tolerated by such a concern, and at times by painful scandals and abuses; but, by and large, government in the United States, except when the obligation of enforcing some hopelessly impracticable law has been imposed upon it, discharges satisfactorily its duty to protect person and property, and to keep open to all comers the avenues that lead up from the lower to the higher levels of human fortune.

Indeed it must be further admitted that, even aside from these strictly appropriate tasks, government in the United States has at times successfully prosecuted educational, eleemosynary and social objects, the value

of which need not be appraised merely in terms of pecuniary profit and loss.

In war, when time and concentrated effort are everything and pecuniary extravagance but little, government-owned corporations, backed by the enormous revenues and reinforced by the organized agencies of the Federal Government, may be wisely called into being and employed. And even when judged by business standards, the Federal Government seems to be able to manage with a fair degree of success a natural monopoly like the Panama Canal. Here and there, too, thanks to conditions of a highly exceptional nature, small municipally owned utilities have been able to make both ends meet, even when tested by the standard principles of private business accounting.

Favoritism Runs High

BUT AS a rule, if any government, state or municipal enterprise of a business nature shows a net profit on its operations, it is because it is not debited with the loss inflicted on the public by its tax exemptions, with interest on its original investment, with depreciation on its plant, or because it charges up to its capital assets sums that should be charged to its operating or current revenues, or because it finds refuge in some other device of financial jugglery.

Few public business ventures, indeed, would not go completely to pieces upon the rocks of economic destruction if, like private business ventures they were denied the privilege of covering up their deficits in the general tax rate.

The principal causes which make the state a poor business man originate in human nature itself. Back of every private business enterprise is the intensely human desire for pecuniary gain, the thing which assures the enjoyment of all those material wants which are the chief stimuli to individual activity. This desire can be gratified only by the exercise of the highest degree of vigilance, industry and prudence. Income must be studiously balanced with outgo. Close watch must be kept to see that every employee of the concern is specially fit for his task and faithfully discharges the full measure of his duty.

Every rat hole, nay, every leak, however small, must be plugged up; no opportunity for opening up a new source of revenue, however limited, must be overlooked. From one end to the other the machine must be kept going with a steady unrelenting rhythm. The officers charged with the direction of the business are usually stockholders and therefore deeply interested in its prosperity. The superintendent or the general manager of the business is generally a man singled out for his position by reason of his peculiar competency for its require-

ments; paid the very highest salary that the scale of the undertaking will stand; and fired with the ambition not only to produce the best results for his employer, but in time to attain a position of even greater profit and prestige. Often the question whether a superintendent or manager of such a business is fit or unfit for his responsibility signifies nothing less than the difference between dividends and a receivership.

Then, too, a private business undertaking untrammelled by the inflexibility of bureaucratic tradition and routine when called upon to face sudden emergencies or opportunities, has immediate command of all its pecuniary resources, and what is even more important, is not subject to the incessant pressure of the political importunities which do so much to swell the expenses and to derange the policies of public-owned business agencies.

How largely inapplicable are these considerations to business enterprises managed by the Federal Government, the state or the city! Back of them is no driving or organizing force except public zeal in a few breasts that burn with a pure and lively flame. Occasionally we even find an individual who is dedicated by it to the service of the state as distinctly as any priest to the service of the altar; and to enlist such persons in the public service should be the highest aim of the state; but who will deny that public zeal, except when human beings are lifted above themselves by some great crisis, is but a languid motive of conduct in comparison with pecuniary cupidity—a force just as tireless as that of gravitation?



European public services, publicly owned, are not so successful as our privately owned enterprises. There is too much government

The heads of such enterprises have no pecuniary stake in them beyond their salaries, and therefore no incentive derived from the ever-urgent promptings of self-interest to keep expenses down and rev-

enues up and to extract every ounce of power that is to be extracted from the machines that they direct by watchful oversight over every cog and lever in them, and especially over the subordinates who work them and whose eyes, except when these subordinates are under whip and spur, are only too likely to wander off to the clock. Nor do the superintendents or managers of such enterprises find in their positions the freedom of action, the emoluments, or the chances of promotion that belong to similar positions in private spheres.

Only More Jobs to Be Filled

THE CONSEQUENCE is that these positions have to be filled by men without any true industrial genius or vision, or even marked initiative; indeed often by men who are chosen merely for political or other secondary reasons.

There are administrative statutes and regulations to keep in mind, there are budgetary limitations to be observed, there are bureaucratic restrictions to be heeded. Where there should be internal discretion there is external authority, where there should be elasticity there is official rigidity, where there should be entire business independence there is paralyzing subjection to political influences, such as the solicitations of Congressmen and the other office-holders for places for their henchmen, dependents or favorites, whether meritorious or otherwise, or regional or local competition for regional or local undertakings, or rates, or logrolling; or other disorganizing and demoralizing agencies in the field of politics.

Such in faint outline are the reasons why business enterprises, conducted by the Federal Government, one of our states, or one of our cities, can never hope successfully to earn such profits as privately managed enterprises of the same nature.

The National Postoffice is often cited as an illustration of the ability of the government to operate a business agency successfully, and we quite agree with the belief that there are persuasive reasons why it should be run by the government, even if run at a loss. But if the National Postoffice Department had to rely solely upon its own revenues for all that it costs the Federal Treasury, it would soon come to an end. Some years ago Postmaster Burleson testified before a Congressional Committee that if he could let out the rural mail delivery service to private contract, he could save the Federal tax payer \$18,000,000 per annum.

The deficits incurred by the Emergency Fleet Corporation are extreme examples of the penalties that the Federal Government

pays when it addresses itself to the task of growing public ownership orchids. Despite the low relative cost of water transportation, the Mississippi and Warrior River Barge Lines are operated at a loss by the Federal Government which our North Atlantic seaports have to help to meet for the benefit of New Orleans.

The general state of impairment in which government management left the Steam Railway Service of the United States is too recent to be forgotten by any one. But for the wide-spread disaster which settled down upon municipal trading in Great Britain, our experimentation with publicly owned utilities would have been even more costly than it has been. As it is, despite the perpetual agitation in favor of such utilities which is kept up in Congress, state legislatures and city councils, municipal plants, when the census figures of 1922 were given out, numerous as they were, were producing only 4.9 per cent of the electricity sold in the United States as against the 95.1 per cent produced by privately owned companies.

When the City Lost Money

POLITICAL abuses, poor service, high rates, breakdowns caused by failure to make seasonable repairs and replacements, readily enough account for this difference in output. It cost the city of New York 67.48 per cent more to operate the ferries at New York, owned by it, than it did the railroad companies to operate the ferries at New York owned by them. The

inferiority of government owned railroad, telegraph, telephone, and other public services in Europe to our American services of the same nature, furnished by private



Service has only proved effective when left to individual energy and ambition

companies, is almost too notorious for comment; though telling only the same story of government unfitness for business that is told by our wasteful distribution of the vast

amount of capital that is invested annually in our Post Office, Reclamation and Shipping Board Service and our rivers, harbors and roads.

If it is the intention of our government to broaden the scope of the paternalistic experiments that it has been making in one direction or another in recent years, by all means let it embark upon some general, consistent plan of socialism rather than adhere to its present course of invading the province of private business enterprise (as was lately proposed in relation to the manufacture of fertilizers at Muscle Shoals) just enough to fill the minds of many of its own citizens and taxpayers with a rankling sense of injustice.

State's Rights Returning

HAPPILY, however, signs are not wanting that there is a popular reaction at the present time not only in favor of state rights and local self-government but of the immunity of private business from needless state interference.

Leave the operation of public utilities to private enterprise subject to the regulation of public authority which has shown its fitness to regulate them as distinctly as its unfitness to operate them.

Leave all other forms of business to individual ambition and energy, subject only to the general police powers of the state. That was the good, old American way and there is no reason to believe that it will ever be improved upon.

Four Millions a Day—For What?

Here are two entries from the ledgers of the Federal Government in the Treasury Department at Washington;

1913—Civil and miscellaneous establishments, \$170,829,673.42.

1926—Civil and miscellaneous establishments, \$1,396,455,947.06.

THE ENTRIES cover comparable spendings of the Government for the last pre-war year and the latest post-war year. They embrace the spendings of the Government departments, Congress, the courts, the White House and the independent boards, bureaus and commissions.

They include only peace-time routine. They do not include moneys spent in either year for: The Army and Navy, pensions, interest on the public debt, public debt retirement, Panama Canal, Indian affairs.

The entries show that:

Routine expenditures in 1913 were \$500,000 a day.

Routine expenditures in 1926 were nearly \$4,000,000 a day.

In 1913 there were 97,028,497 people in the United States. In 1926 there were 117,135,817.

On that basis, had these expenditures been apportioned, share and share alike, they would have cost each and every man, woman, and child in the country \$1.76 in 1913. In 1926, these expenditures represent a cost to each person of \$11.92.

While the population was increasing 20,107,320, expenditures at Washington increased \$1,225,626,273.64, or, to put it another way, while population increased 20.7 per cent, expenditures went up 717.4 per cent. Expenditures, in other words, increase out of all proportion to the increase in the number of people to pay them.

Why the increase? What do we get for that additional three and a half million a day?

These questions will be answered in a series of articles by *William P. Helm*, beginning in an early issue of *Nation's Business*

The Ghost at the Desk



The bell, the book and the candle could be employed today in ridding business offices of their ghosts

THERE are too many ghosts at the desks and board tables of American industry today. Too many skeleton hands are signing "notices to employees" and writing wage schedules. There are eerie rappings in conference halls. Mingling with the whirl of machines in factories is the rattle of old bones.

Ghosts in business are being "laid" every day. The ghosts of old methods which have haunted other fields of business have been exorcised years ago; but in the field of industrial management they persist. The ghost of the pony express has long gone the way of the covered wagon since the development of the telegraph, the telephone, the railroad, the automobile and the airplane. The ghost of the top-hatted merchant in his counting house has fled before the most intricate system of high-powered distribution and consumption which the world has ever seen.

Secrecy a Dead Issue

THE GHOST of the leisurely old craftsman has all but disappeared at the installation of hundreds of machines in acres of factories working ceaselessly under the drive of modern production methods. The light of scientific research has scared the ghost of the old foreman who spent half a lifetime learning from his mistakes and the other half in trying to keep his trade secrets from the young upstarts who wanted his job.

Ghosts of the past are with us no longer in such industrial fields as production, distribution, research and transportation. Why have they persisted in the field of indus-

By **SAM A. LEWISOHN**

Vice-President, Miami Copper Company; Chairman of the Board, American Management Association

Cartoons by Charles Forbell

trial relations? Why is so much of this field run by the ghosts of the past, of past strikers and company gunmen, of "heartless bosses" and of "ruthless dynamiters"? These ghosts today sit at the side of too many executives and determine labor policies. Some of the most powerful captains of industry are being guided and ruled by the dead hand of the past. Why is it that so many management executives and corporation officers cannot look at the simplest labor problem without seeing the red past and being blinded by prejudice and bitterness against labor "in general"?

Some will answer that there are very few really serious labor problems in the United States at the present time. Labor is no longer restless, because it is well employed, is making good pay and has its flivver and radio, they say. It is declared that the "red menace" has faded. Labor leaders are quoted as conservative and as cooperating with capital in many ways. It is useless to point out the daily news items of strikes and the threat of strikes.

It has become the current fashion in economics to minimize the importance of production. "Distribution is the big problem," according to conferences, investigating committees and convincing business literature. There is no denying that distribution is a major problem, but will it be solved until we have solved the problem of production?

The distribution problem is the problem of standards of living and levels of income; and these cannot be raised unless by new economies of production through mechanical ingenuity and management effectiveness we can increase per capita production.

It should also be remembered that we have been enjoying what might be called abnormally normal years. Should a recession begin, the smouldering ashes of labor problems might well blaze up again.

Why Do We Think as We Do?

TO DELVE into the origins of the industrial ghost stories with which our executives scare themselves and each other is indeed enlightening. The worst of it is that most of us do not know how haunted we are. Very few of us have the clear-headed patience to dig down to find what we really think, and why. Still fewer have the courage to admit what we find.

How true this is it is difficult to believe until one actually analyzes the attitudes of executives and labor leaders on industrial relations problems. The writer must admit that he did not fully realize this until he was preparing a recent book on "The New Leadership in Industry." He showed some passages in the manuscript, explanations of simple labor problems and remedies, to various types of executives. They agreed that the picture was true but they did not see themselves in the picture.

What makes up the attitude of an executive on labor problems? Of the many influences which determine it, recent unpleasantness in his own plant, such as a strike, is one of the most potent. When the emo-

tional debauch is over, it takes a long time for either the man at the desk or the man at the machine to be able to see straight. Much study is needed of the psychopathology and what might be called "after-care" of industrial strain.

If that were all, it might be understandable and forgivable. But it is strange how widely heralded industrial troubles which can have no possible relation to the individual plant, influence the general attitude. In too many plants, when a spokesman for a group of employes faces a manager across a desk the manager sees not Jack, the decent, intelligent, hard-working lathe operator whom he has known for five years; he sees the McNamara brothers in Los Angeles or Brindell of the New York building trades. He doesn't hear the voices of men who are dependent on him for a living and for leadership; he hears "agitators" like Big Bill Haywood and William Z. Foster and he hears the voice of Moscow. Jack, on the other hand, does not see Mr. Smith, the decent, intelligent, hard-working manager whom he has known for five years; he sees gunmen and detectives and he hears the voice of "Wall Street."

"Labor" a Football

THE attitude of the worker usually has origins more remote even than those. He not only sees behind him starving and barefoot children of a mill-town or coal-field strike but he sees sweatshops and, still further back, all the cruelty of the beginnings of the factory system after the industrial revolution. The mere word "labor" means oppression and exploitation to the worker, and to the executive it means the blind fury of revolt. The mere word has become colored and warped. It has become surcharged with all the residue of old violence which, even under the calm inertia of routine relations, is always latent. No wonder that our labor relations have become the football of our emotions!

Back even of this are centuries, thousands of years, of master and slave psychology. The whip-lashing taskmaster and the lazy, treacherous slave of the Egyptian pyramids face each other on the steel work of a thirty-story skyscraper; at least, that is whom the superintendent and riveter think they see.

But these old ghosts are not the only evil spirits which so dominate our industrial relations psychology. There is the personal make-up of the individual executive.

Of course, industrial management, being a form of human relations, must reflect human personalities. But there is too much personality and too little science in the

management of today. Too much is an expression of the background, the training or lack of it, the personal emotional history, the momentary whims and fads of executives and too little of unprejudiced scientific study of industrial relations.

We do not expect an engineer in designing a machine to express his personal preference for the lines of old colonial chairs or the colors of Chinese lacquer cabinets. We do not expect a railroad executive in preparing a freight train schedule to

fatigue and sociological measurements of Saturday night. We have charted the effects of ventilation, light and humidity as well as the effects of tenement overcrowding, absence from church and defective teeth. We have begun to analyze the psychological causes of individual discontent and turnover and of group unrest and strikes. In that direction there is much still to be done but we might do well to turn simultaneously to the mental hygiene problems of the employer.

A mental hygiene clinic for mutual study of employer psychology would be good for all of us. Perhaps in studying the psychological twists in the other fellow we might learn something about ourselves. There are certain types of executive psychology which would be of particular clinical interest at the present time. There is probably more or less of each type in every one of us. Out of obscure and forgotten origins arise temperamental peculiarities which are glorified into "industrial relations policies" and which may work havoc not only on one employe but on a whole industry. The recent "general strike" in England, for instance, was due just as much to the clash of temperament of the leaders on both sides as to the clash of organized economic interests.

Types of Bosses

THE "self-made" man has many of the Horatio Alger virtues but sometimes he has a poor memory and lacks the power of introspection. He is inclined to forget how he felt and thought when he himself was in the ranks and it is much more difficult for him to understand his employes than for a "son of the boss." He feels that if he should give way to a worker on one little point, Trotsky would be in the White House tomorrow. The "hail-fellow-well-met" executive may either have risen from the bottom or else he may try to cover up a Back Bay rearing by backslapping. He prides himself on calling every employe by his first name, but he is often the first to call them names when any little trouble arises.

The "efficiency shark" is common and multiplying. He lacks human imagination. Often he suffers from defects of those glands which secrete the plain, ordinary milk of human kindness. To him men are simply numbered cards near the time-clock and he much prefers inanimate objects, charts and statistics. His word is the law and there can be no constitutional amendment to it. As a result his employes will go out of their way to contrive some method of getting around it.

In contrast to him we have the "bless-



A clinic for certain employers is badly needed

express his personal preference for the scenery of the Adirondacks. Nor do we expect them to express the fact that when they were boys, their fathers gave them a licking behind the barn or the fact that when they began to work they were bullied by a straw boss. Too many executives are leaders only in the sense that they have the star position in the organization chart.

We have begun to talk a great deal about the mental hygiene of the worker. We have made scientific measurements of

you-my-children" employer. The evangelical spirit within him leads him to feel that he must make up for all the past sins of capitalism. He provides a whole town for his workers, with a million-dollar club house on the common, containing all the latest uplift furnishings. He snoops into all the private affairs of those who work for him and sets all their troubles right. He feels terribly hurt when his employees get tired of being orphan asylum children.

The "chip-on-the-shoulder" executive, for example, is a common type and he is an even greater source of strain than the "chip-on-the-shoulder" employe. When they happen to be in the same organization, any kind of a fight may come. The spirit is usually the result of an inner feeling of inadequacy; the executive feels, in his own heart, that the job is a little too much for him and so he has to show the world that he is a big man. He is always taking it out on the dog; when the sales curve sags, he cuts wages. Executive's desk-pounding is really a vocational disease like caisson-worker's "bends," miner's nystagmus and painter's colic.

The "strong silent" executive is, unfortunately too often, strong only because nobody has the courage to contradict him and silent because he has really nothing to say. He is very frequently surrounded by a flock of "yes men"; and the yes-manned organization deserves a clinic to itself.

Desk-Struck

THESE TYPES are, of course, extremes, but the bad traits are usually only good traits just a little twisted. In every leadership some autocracy is necessary but the autocracy should serve to direct executive energy, not to use up that energy. All of us executives are somewhat desk-struck; we cannot sit at a mahogany desk without feeling an impelling desire to fire somebody. And, on the other hand, there are very few employes who are not, to some degree, desk-shy.

These types include both the resident managers and the absentee "Wall Street crowd" who, contrary to popular belief, are usually much less in need of mental hygiene than the plant men. Too often it is necessary for corporation heads to bootleg advanced management ideas into a factory so as not to arouse the hostility of resident managers and foremen. That Wall Street is the center of a vast conspiracy to keep

down labor is heard even from those who should know better. After all, the men in Wall Street want only continuity of production and assurance of profits; they are not interested in bolstering up their pride and position at the expense of harmony and efficiency. They are concerned with what works. The same banking house, for instance, which is interested in the Baltimore and Ohio Railroad is also interested in the Union Pacific.

The former has developed successfully a cooperative-union-management plan in the shops while the latter refuses to recognize the shop

No matter how solemnly they pay lip-service to the idea that the aims of capital and labor are identical, in their hearts and their labor policies they express the I.W.W. creed that labor and capital can have nothing in common and that there can be between them only eternal war.

What can mental hygiene for employers offer to replace the ghosts and the personal crotchets and the class-consciousness?

Such a leadership, not ghost-ridden, without class venom and relieved of personal complexes, would be able to look at a labor problem and think.

A New Day

THIS new leadership in industry is already here. In that plant and in that office, here and there over the country, the new leaders have begun to assume their leadership. There has not yet been time for many of them to become public figures, with their pictures on magazine covers. But the future is inevitably theirs. The present problem, for the sake of industrial harmony and for the sake of our national economic well-being, is to hasten the arising of this new leadership.

Perhaps if we bring up our new industrial leaders in the right way, as all modern children should be brought up by modern parents, they will no more believe in labor bogeys than children do in witches. When they achieve leadership they will not be haunted by ghosts because they will not believe in them. They will not have superefficiency complexes or desk-pounding impulses or uplift manias because

they will be thoroughly and sanely grounded in the science and art of human industrial relations.

In the old dark ages they drove out ghosts and evil spirits with bell, book and candle. We need them today: The bell to arouse us to the facts, the book to tell us the remedy and the candle to light the way.



It is contended that there is little unrest today because the worker is well employed and has his own "fivver"

unions and uses instead a carefully worked-out plan of employe representation.

But even if there is no unified labor-relations policy radiating mysteriously from Wall Street, there is no question that a large proportion of corporation heads and industrial leaders are class-conscious. There is too much Karl Marx in their philosophy.

The Congressman's Side of It

As Told by a Member of the House of Representatives to Chester Leasure

WHAT IS a good congressman?" The question was put to a member of Congress of twelve years' service; a worker, regular in the party sense and politically astute enough to have withstood three attempts of ambitious rivals to oust him. A good, run-of-mill representative of the representative in Congress. "And please," it was suggested, "don't be humorous and say that a good congressman is a Republican, but tell me your candid opinion of your job. What you have to do to keep it. All that sort of thing."

The congressman reflected a moment, settled back in his chair and said:

"All right, I'll talk, but under one condition."

"Yes?"

"Keep my name out of it."

And it was so nominated in the bond.

"There are fakirs in public life," he began, "and some of them get into Congress. They have a peculiar tenacity, too, in spite of what Lincoln said about fooling the folk all the time, but they are the exception. Brushing them aside, it is my opinion that the average congressman is just about as 'good,' to use your adjective, as his constituents will let him be."

"A foreign dignitary visiting Washington came up to Capitol Hill for a look-in on Congress. A prominent member was notified that the distinguished guest was coming. He met the dignitary and conducted him to a seat in the private gallery. The visitor was much interested, but as he looked upon the scene on the floor below his face fell and he said, 'So this is the Congress of the United States.'"

"Yes," said the congressman, "but you ought to see their constituents."

Three Avenues of Pressure

FROM the moment of his election, the representative is under strong pressure from sources that would shape his course as a legislator. These are the pressure of the political party, the pressure of organized groups, and the pressure from his constituents. Not infrequently these influences pull in different directions.

"How shall your 'good' congressman chart his course?"

"He is identified with a political party. His judgment as to the policies upon which his party has pledged its position in its platform is foreclosed. If he is a Republican, he is pledged to the principle of tariff for protection. The degree of protection and the commodities entitled to

it are for his individual judgment, subject to the degree in which he lets the opinion of his constituency and that of his party associates in Congress guide him.

"It's political heresy for me to say it, but the pressure of the party isn't as effective as it used to be. Party lines aren't as sharply drawn as they once were. This is shown by states electing governors

intimate. Not infrequently when a congressman of the White House's political faith, under pressure from home, or through pique because of delayed appointments or something of the sort, shows signs of leaving the reservation or of insuring against some part of the Administration program, an invitation to partake of sausage, buckwheat cakes and maple syrup at the White

House has been known to have its points. But if the symptoms are more virulent, a week-end in the presidential yacht for the Honorable and Mrs. Congressman is pretty nearly sure fire. After all the congressman is but human, and Mrs. Congressman is equally if not more so. Recognition and society column notice mean quite as much to her as to Mrs. Babbitt.

"Organized groups bring powerful influence to bear on Congress. The American Federation of Labor, the Association of Railway Executives, the Association against the Prohibition Amendment, the Anti-Saloon League, the Farm Bureau Federation, the Chamber of Commerce of the United States are typical of what I mean. These are a

development of the growing complexity of our economic life. Legislation more and more intimately touches group interests. Labor, railroads, industry, the farm—all have the right to tell Congress their views. Short of asking for things clearly detrimental to the public interest, these groups may properly urge legislation to promote their own welfare.

Value of Group Organizations

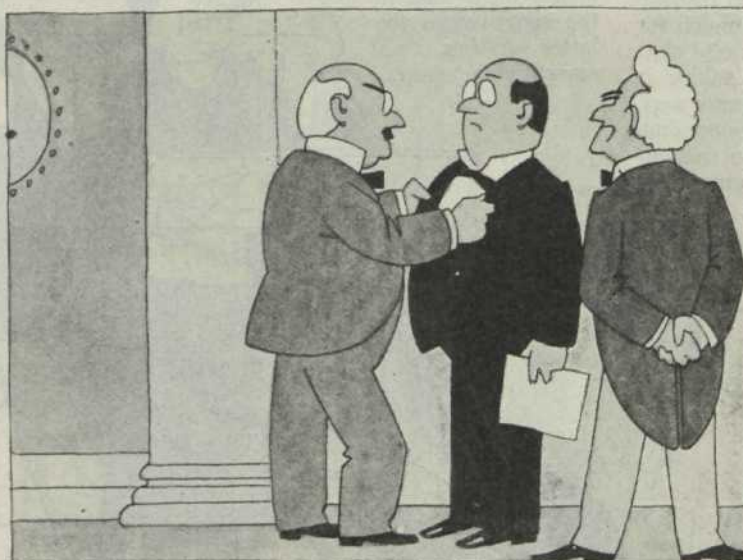
THESE group organizations are of value. Their resources of specialized fact and their experts are available for the information of congressional committees. Their publicity machinery enables them to present, in some measure at least, the views of the national groups represented. The questions for the member to decide are:

"What weight shall I give the showing made by the group organization?"

"Does it present a fair reflection of the opinion of the majority of the individuals of its group, or is it a 'planted' opinion made-to-order by the propaganda machinery of the organization?"

"Am I in danger of mistaking noise for numbers?"

"In the old days the lobbyist played upon the member susceptible to a bribe. Bribery now is out. It simply isn't done. The threat of political disaster is the weapon of the group organization. There are conspicuous examples of its effectiveness.



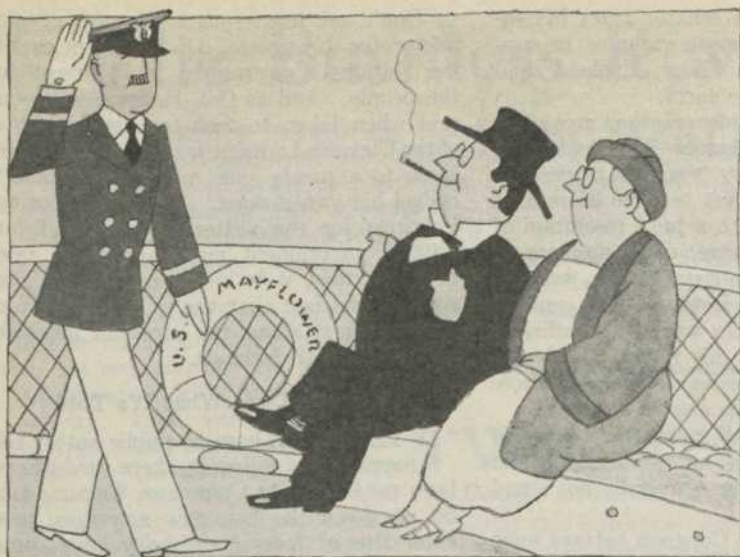
The congressman is under strong pressure from the managers of his political party

and members of Congress and senators of one political faith and giving their electoral votes to the presidential candidate of the other party. When the voter is independent, it is but natural that congressmen should wear the party yoke more lightly.

"There's a friend of mine, on the minority side, as good a party man in his beliefs as the most rigidly regular, who serves notice on his congressional party caucus that he must reserve a certain liberty of action if the party wants to keep a Democrat representing his district. My friend is immensely popular at home. His personal popularity and his independence in Congress keep a Republican constituency sending him to Washington.

"This sort of thing gives much chagrin to many of the oldsters of a day of stricter party accountability. They say—and with some truth, too—that this laxity of the party obligation is destructive of party government; of majority government, in fact. But the fact is that more and more the individual member has to set up his own standards of party loyalty if he expects to round out a career in Congress. This is particularly true of members from the so-called 'pivotal' states, where the vote is 'close,' that is to say, independent.

"And the White House occasionally puts a bit of pressure on the congressman. This is a phase of the party pressure, but more



As a phase of party pressure a week-end on the Presidential yacht is almost "sure fire"

"As a member of Congress, I'm interested in the opinion of the banking group on financial legislation. It's instructive for me to know the opinion of labor on immigration. And so on. So long as these organizations give me information and try to convince me by marshalling facts rather than to browbeat me into support of their views, their service is of value to me.

"A hundred telegrams from folk in my district urging me to do this or that are impressive if these telegrams represent the matured views of those who sign them, but if these telegrams have been 'planted' by the propaganda agency of the national headquarters of a group organization, they aren't so valuable. In fact they are apt to peeve me. I'm likely to capitalize them by declaring to my constituents my independence of such attempts to cudgel me into line.

Home Pressure Strongest

"BUT strongest of all is the pressure from the district, from the member's own people—the folk who send him to Washington. This influence, of course, is more or less intermittent, but when it is brought to bear in behalf of measures in which strong district interest is aroused—say a river or harbor improvement project, a bridge over a navigable river, a new federal building, a tax measure, tariff schedules or farm relief, it is the rare member who stands out against it.

"The congressman must pilot his course sagaciously through these cross currents and cross pulls. But that's only part of the day's work. There are the chores his people expect of him. These multiply as the expanding activities of government touch the every-day life and business of the citizen more and more intimately.

"A colleague breezed into my office the other day, visibly running a high degree of emotional temperature. 'I've just come from the Commissioner of Immigration,' he said, 'where I've wasted the morning trying to bust the immigration regulations for a lot of Old World cousins of hyphenated constituents of mine. My people think I'm down here for the sole purpose of bootlegging aliens.'

"And there's the widow who wrote her

speech in one of his towns, the member saw an aged couple coming down the aisle. The old lady's face was wreathed in smiles. The old gentleman was doing his best to register supreme contentment, too, but his attempts were a bit sickish.

"You don't know me, Mr. Congressman," said the old lady, grasping the congressman's hand, 'but you helped me get a husband, and here he is. Thank the congressman, Josiah.' But from Josiah's tone, the congressman wasn't sure but that his first-aid to Cupid had lost him at least one vote.

"After all this expenditure of time, thought and dexterity on the task of keeping the job—his political fence tending—the member may turn his attention to legislation.

"This business of legislation isn't the simple matter it once was. As the country has expanded, as science and invention have revolutionized our mode of life and business, the horizons of legislation have vastly widened. The volume and diversity of the business that comes before Congress is so immense that even though the individual member didn't need to spend

any time or thought on the business of getting and keeping elected, it would be impossible for him to master all the fact and detail in relation to every subject he must exercise judgment upon as a legislator. As in a business enterprise of far-flung activities, there's got to be a division of duties. The committee system meets this need.

"For all that it is criticized as creative of 'little

congressman enlisting his aid in finding her a second husband. The congressman showed the letter to a newspaper correspondent who made a feature of it for his paper, the leading daily of the congressman's state.

"In a few days the congressman began to get letters from eligible and interested widowers. He forwarded these to the widow. About a year later, after a campaign

congresses,' the committee system breaks up the big legislative job into a lot of smaller ones. Each of these segments of the whole is big enough in itself to command the best efforts of the men to whom it is assigned. The committee system speeds action. It may strike you as a bit humorous to speak of speed in relation to the processes of Congress, but let me say that but for the committee system the pace of Congress would make a snail's look like that of an express train. The committee system has its abuses, to be sure. I've had my own troubles with it—'pet' bills strangled in committee and all that—but its uses far outweigh its abuses.

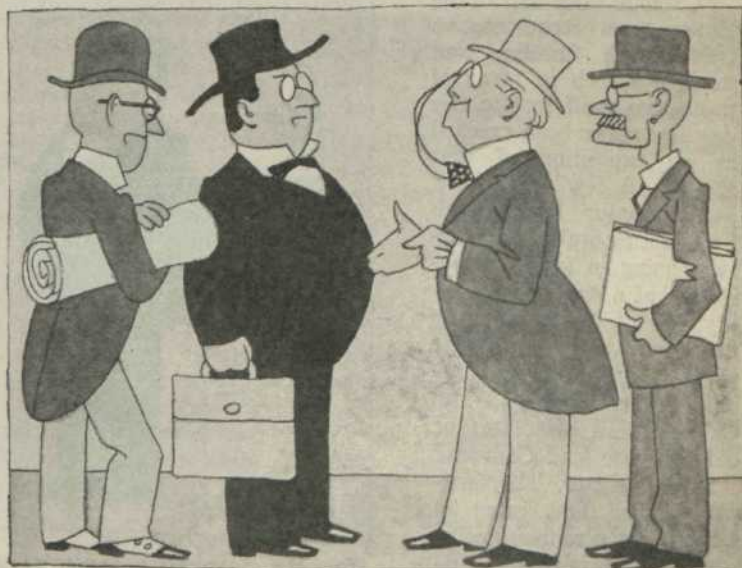
Committees "Little Congresses"?

"IT WORKS this way: As a member of the Ways and Means Committee, for example, I may know fiscal affairs—revenue, taxation and tariff. But by the same process that enables me to become expert in these I become less proficient as to military affairs, transportation, postal affairs, foreign affairs and the like. So when it's up to me to vote in the House on a measure for national defense or a supplemental act for railway regulation, or even for appropriations, I simply haven't had the time nor the facilities to master their details.

"What is your 'good' congressman to do?

"He must rely on the judgment and the integrity of colleagues who as members of the various committees sponsoring such bills, have gone through the processes of hearing, fact finding, fact correlating, step by step. Yet as an individual member he has the right to attack provisions of bills reported by the committees. He has the right to propose amendments and to press for their adoption. And always he has the right to vote against the measure on final passage. The committee system, in other words, cannot and does not coerce the judgment or the vote of the individual member.

"The work of Congress involves long hearings, patient research for fact finding, and a nice balancing of interests. But this is not dramatic. So the real achievements of Congress are unsung by the newspapers, and very largely unhonored by the pub-



Organized groups and their representatives bring strong influence to bear on the Member of Congress

lie. More's the pity, perhaps, but virtue isn't news, although the cynic may say it ought to be because it is so rare.

"Thousands of perfectly good citizens live long and useful lives; never rob a bank, nor accept a bribe, nor commit a murder—and they never figure in the headlines. By the same token the real working congressman—the 'good' congressman—isn't news.

"I know a member—a 'good' congressman in every sense of the word—who, by his own efforts, brought about a saving of literally millions of dollars to federal taxpayers, yet never a line of it was printed in any newspaper. The irony of it is that, after such service, he had the fight of his political life with a rabble-rouser in his district who tried to get the nomination by telling the people that their representative was a nonentity because he didn't clutter the *Record* with speeches and never got his name in the papers! But if a member from Hossiahoma introduces a bill for federal regulation of the length of hotel bed sheets; or if a wet-drinking but dry-voting member makes a speech demanding more teeth in the prohibitory law; or if a pitcher of 'lemonade' goes 'round among the members of a congressional junketing party cruising in Caribbean waters, the newspapers print column after column of the bilge—and it passes for congressional news.

How Tall Were the "Giants"?

"**T**HERE were giants in the old days.' Critics of Congress are fond of that phrase. The inference is as broad as a barn door that the congressman of today falls short of the stature of the traditionally great and is but a small-time politician who swaps his manhood for the gauds and emoluments of office; not a stalwart who rises superior to all thought of expediency.

"But is it true? Does the member of today show up so shabbily in comparison with those of 'the good old days'?

"In the annals of American legislation none are of loftier stature than Clay, Webster and Calhoun. Yet Clay was a whirling dervish in respect to the slavery question. He spent a lifetime trying to keep pace with a national constituency that he hoped would send him to the White House.

"Calhoun came first to the House as a representative from South Carolina and made a speech in favor of protective tariff that to this day has never been excelled as an exposition of that theory. A few years later, as a senator from South Carolina, he opposed protection, going so far as to declare that a state might nullify acts of Congress not in harmony with the state's views. South Carolina's tariff belief had changed. Did Calhoun lead his state; or did his state lead Calhoun?

"And Webster. The 'God-like Daniel' first came to Congress as a representative from New Hampshire, outspoken in opposition to pro-

tection. Later, as a senator from Massachusetts, none was more vigorous in support of protection. New England had changed front on the tariff.

"By contrast consider another great legislator—Senator Thomas H. Benton of Missouri. For thirty years he served in the upper chamber, yet because he refused to vote in accord with a joint resolution of the Missouri legislature, on a measure of relatively trifling importance, he was defeated for a sixth election. His eminent service as a statesman was not a sufficient make-weight against his refusal to obey a mandate of his state legislature. In those days state legislatures elected senators.

"What is the 'good' member of today to do? Shall he 'trim sail' with Clay and Calhoun and Webster, or shall he 'stand pat' with Benton?

"Eagerness to bait Congress betrays some of its critics into absurdity. A day or two after the opening of the present session, I read an editorial in a Washington newspaper commenting on the President's suggestion that the Treasury surplus be refunded to the taxpayers. The editorial went on to say that, of course, Congress would have none of this sort of advice, because Congress had other designs on the surplus—pork barrels, post office buildings out in the sticks, river and harbor appropriations and what not. Last session, this same paper was at our heels urging, cajoling and demanding that we authorize fifty millions for public buildings in Washington!

"Another frequent fault found with Congress is that it 'doesn't follow the President.' That criticism is either malicious or else it springs from a woeful ignorance of the fundamentals of our system. The President, says the Constitution, shall advise the Congress and recommend legislation. It doesn't say the President shall dictate. If such were the case, it would be quite as well for the states to mail proxies to Washington made out in favor of the Executive rather than go to the trouble and expense of electing representatives and senators. The duty of the Executive is to advise and to recommend; the duty of Congress is to weigh, and then to enact.

"Don't get me wrong. I'm not crying mercy for Congress. Of all agencies of the National Government it is closest to the people. And as Col. Henry Watterson said when taken to task for his criticisms of the Cleveland administration, 'things have come to a pretty pass when a man can't cudgel his own jackass.' Yet in belaboring Congress for the welter of laws, and for putting government more and more into new activities, it is important not to lose sight of the fact that the public gets from Congress just about the sort and measure of legislation it demands.

Congress Does What It's Told

IF THERE had been no public outcry for regulation of railroads, there would have been no Interstate Commerce Commission. So on down the list, new activities, new extensions of federal authority have come as a result of determined pressure on Congress.

"Once these activities are established, it's next to impossible to lop them off. I'm convinced that the Government has gone too far into service activities. I think it the height of absurdity that the Federal Department of Agriculture should undertake to instruct housewives in the art of window draping. But if I should undertake to abolish service activities of the Agricultural Department, a member from an agricultural district would likely turn on me and say that to tell women folk how to curtain their windows is just as proper a function of government as for the Department of Commerce to send investigators abroad looking up new markets for the manufacturers in my district. Would I join the farm member in a measure to wipe out the Department of Commerce services to business? No more than he would join me in a bill to abolish the service functions of the Department of Agriculture.

"Yet when all's said it's an honor and a privilege to serve in Congress, even though the editorial scolds have given the word, congressman, a sort of sinister sound. This is unfortunate. It tends to erode public confidence in the institutions of government.

"There are trough-feeders and shysters in politics, to be sure, but they wouldn't be there if the people were on the job.

"There are absconding bankers, too. Shall we condemn the entire banking system?

"There are some quacks in medicine. Shall we say that all physicians are charlatans?

"There are a few buccaneers in business. Shall the entire institution of commerce be denounced as a den of thieves?

"Public service is an honorable profession. No honest citizen need be ashamed of it. No honorable man need repudiate it. It is as laudable to aspire to distinction in the service of one's country as to seek eminence in private life."



But the strongest pressure of all is that from the congressman's district—from the folk who sent him to Washington

The Business Revolution of 1927-'37

By MERLE THORPE

Decoration by Herbert Pullinger

TREMENDOUS changes are taking place in our industrial life. A peaceful revolution as dramatic as the industrial revolution of 1800 is under way. Great economic currents are driving new channels; a new day presents a new business landscape.

The great new force is group endeavor. The individual no longer relies alone on his own efforts. He is pooling his resources with others in mass activity. Labor early saw the advantage. The business man fights today for new markets and a larger share of the consumer's dollar through his trade cooperatives, and there are now 2,000 trade associations.

The British Commission sent to study American methods was "amazed at the willingness of American business men to pool their resources and exchange experiences," in an effort to make their industry prosperous. Well might it be amazed; when the collective intelligence of an industry is launched into the fray, the result is a battle royal.

The war of materials is on!

Oil and gas and coal are fighting for the job of heating the country. Electric refrigeration and ice are fighting for the job of cooling it. Wood and sheet steel, and cement and structural steel are at grips while lumber and lumber substitutes are calling out the reserves.

You casually announce you are to build a house. You are not attacked by your local lumber dealers. Lumber as lumber competes with 57 varieties of other building material—brick, steel, hollow tile, slate, stone, and celotex. Twenty-two substitutes in one activity alone, promoting and selling, spent \$30,000,000 last year through their organized associations. Nor is lumber asleep. The lumber industry is mobilizing a fund of \$5,000,000 to tell us of the uses and value of lumber.

From the foundation to the rugs on the finished floors, you are besieged, not so much by men seeking to sell the same products as by those who urge concrete against brick, asbestos against cedar shingle, metal lath against wood, wallboard against plaster, linoleum against oak.

And the Battle Goes On

AND WHEN the house is ready to furnish, you must choose between rugs of cork or wood fiber as against cotton or wool; between rayon and linen for window drapes and table covers; between rayon and silk for bedspreads; between wood and steel for bedroom furniture.

Fill out the picture from your own observation.

And the war of foods is on!

I attended a meeting of the United States Fisheries Congress at Philadelphia, and this industry voted \$300,000—as an industry, mind you—to teach us to eat more fish and to eat fish, please, on other

days than Fridays. On the following day, Tuesday, at Atlantic City, the Allied Baking Industry appropriated a similar

WHAT good is a trade association?

Good enough to delay the sale of Dodge Brothers to Dillon Read & Company until the bankers could be assured that membership in the National Automobile Chamber of Commerce could be transferred at once from the old company to the new one.

To make that change certain, a hurried meeting of the directors of the Automobile Chamber was held in Buffalo at the home of Alvan Macauley, president of Packard, who was ill in bed. In fifteen minutes the thing was settled, and the negotiations were on their way again.

Big things are trade associations, and growing bigger.

Here are told some things they are doing, some ways they are working.

sum to teach us to eat more white bread.

A week later, in Detroit, the Ice Cream Manufacturers' Association voted \$300,000 to teach us to eat more ice cream.

Forty great food groups fighting for a larger place in the American stomach.

There is sauerkraut in battle array; green olives and ripe olives; bananas and oranges; prunes and oysters; canned salmon and whale meat; medicinal cookies and coffee and tea, with the United States Department of Agriculture coming up from behind, advocating rabbit meat. May every group win and no one of us get indigestion!

Thumb over the pages of any national magazine. You will find your local florist counselling you to "say it with flowers," and if the object of your affection is 2,000 miles away it makes no difference—the association has made it easy for you. Not single-handed does your florist speak to you, but, grouped with other florists, he increases his sales by promoting the entire industry.

On the next page you will find your jeweler—not single-handed, but with other jewelers—impressing on you that "jewelry is the lasting gift."

On the opposite page, quite likely, your hardware dealer, because of his affiliation with thousands of other paint dealers and manufacturers, tells you in no uncertain terms that if you "save the surface, you save all."

As you thumb through, you will learn the stories of California Redwood, Southern Pine; Southern Cypress; zinc; greeting

cards; plate glass; davenport and wooden beds and iron beds; paving brick; slate; steel barrels; granite and marble; leather soles and rubber soles and composition soles; knit underwear, and nearly 100 other industries "group" selling and promoting their products.

Selling is only one of the twenty-odd weapons of this modern day warfare.

Across the Potomac a few weeks ago eighty men stood inspecting a piece of roadway. They were paving brick manufacturers. By grouping together and mobilizing the collective intelligence of the industry, they were able to lay an experimental road of 2½-inch brick, whereas the ordinary paving brick had been 3½ and 4 inches.

Effective Group Action

A TEST over six months, subjecting the road to the equivalent of fifteen years' normal use, was carried on under the inspection of the United States Government. The road stood up, and it is reported that the paving brick manufacturer has a 20 per cent less material and freight cost in its competitive struggle than before. Group action is thus, by research and experiment, advancing industries, where it is well-nigh impossible for the individual to carry on.

And put a pin here; the small business prospers as a result of the group action. This is perhaps the most significant phase of the present-day revolution—it means the survival of the small establishment. His part of the expense of organization is slight compared with the big corporation which has its own research laboratories, its statistical experts, its tools of modern competition. And be it said, to the everlasting credit of American business, the big corporation is almost invariably in the forefront of organization work, stimulating and encouraging its smaller competition to join hands in a unified effort to make the industry greater and more prosperous.

Simplification is another weapon of the group.

The Weapons Get Results

BEDSTEADS, springs and mattresses have been reduced from 78 styles to 4; hotel chinaware from 700 to 160; brass lavatory and sink traps from 1,114 to 72; hot water storage tanks from 120 to 14; paving brick from 66 to 5, and in scores of other industries advantages have been gained in the greater competition by the savings of simplified practice.

Another weapon is uniform cost accounting, which makes possible another sturdy battle-ax—statistics. Statistics—you don't like the word? Neither do I. Let's call 'em facts.

Facts, detailing the daily operation of a business, are not only necessary to the success of an individual in these trying times, but make for more fun in the operation.

More important today, because of this group activity, are facts of the industry necessary to its proper conduct, and, it may be added, necessary to the well-being of the public. Uniform cost accounting makes facts of an industry possible.

Furthermore, there are unexpected rewards to the industry which has uniform cost accounting and facts. One such industry has saved its members thousands of dollars by being able to set up with the Bureau of Internal Revenue a standardized percentage of depreciation.

I have already narrated at length, in January NATION'S BUSINESS, what happens "when an industry starts to fight." Ice manufacturers, representing a billion-dollar industry, faced with a new competition, took stock of facts, found 4,000,000 families with telephones and no ice-boxes; 8,000,000 families with automobiles and no ice-boxes. They set about to analyze markets, sell their product and service to customers, and increased sales of ice in one year by 8 per cent, despite the fact that the season was shorter and cooler than the previous year.

Tactics Trade Groups Use

ORGANIZED effort did it. There was no other way. Unity of purpose, unity of action—and facts.

Arbitration is another weapon successfully used by groups which find themselves in blind and causeless and bitter conflict with one another. Read the story of the dyers and cleaners in the November, 1926, number of NATION'S BUSINESS. Group arbitration, which will lead surely to important developments hand-in-hand with the activities of the Trade Relations Committee of the United States Chamber of Commerce.

Other group weapons are collective buying—witness department stores and chains; exhibits, such as the automobile shows; grading, and joint trade-marks, as Southern Pine; bonding, insurance, customs regulation, foreign markets.

Look at the dramatic picture of the automobile industry setting out to guarantee markets for its members by selling South America, and India, and other countries the idea of good roads!

So much for the promotion of new markets and the extension of old ones.

There is another definite objective of the modern-day trade association—the protection of the industry from within and from with-

out. To list a few of the activities in this field: credits; collections; bankruptcy; frauds; commercial bribery; trade practices.

More than 100 associations have built and adopted codes of ethics, defining the hitherto twilight zone of practices in their particular industries.

Change is the order of the day. Stores on wheels, druggists selling sporting goods, tobacco shops distributing toilet articles—all symbols of the gigantic readjustment going on affecting every business man, big and little.

The Drug Store, But Why?

I GAVE my small boy \$3.25 to buy a baseball mitt and bat. He bought them at a drug store.

The drug store manager tells me he is handling today more than 100 articles—other than drugs—which he did not handle five years ago.

I think it was Kin Hubbard who said that he had been living in a drug store now for six months and found it much more convenient than a hotel.

When anthracite was hard to get two years ago, I told my coal man that if he didn't quit sending me stone and rock, I should put in an oil furnace. He cautioned me.

"Only a passing fad," he said. But last week I received from him an announcement that he is now prepared to furnish me fuel oil.

My ice man, whom I had not seen since I installed an electric refrigerator two years ago, called on me recently with some alluring literature which eulogized the cake of ice.

Among other things, it declared, "the cake of ice needs no mechanic."

A friend invited me to look over his new home. Five bathrooms and no tile floors. Floors of a rubber composition.

I turned off the radio last night right in the middle of the farewell song of the Ipana Toothpaste Troubadors. "How much advertising business," thought I, "is the radio taking away from magazine publishers?"

The individual no longer fights a guerilla warfare. He is lined up as a private in a well-organized army battling other well-organized armies for new and potential markets and a larger share of present markets.

Although there are a half-dozen trade cooperatives who celebrated, this year, their fiftieth anniversaries, it has been only in the last few years that trade associations have "found themselves" in this new scheme of things.

Unity of Action Essential

THE TRADE association idea is simple. It is based on the premise that the collective intelligence of a group of men is greater than the intelligence of any one of the individuals and that unity of purpose and unity of action will carry an industry farther in its fight for prosperity than can be done by twice the effort expended at haphazard by individuals.

What is the moral?

The man engaged in business today must be alert as never before. Old-established houses three generations old pass over night. A new institution becomes national in a day. The business man must be alert, too, to find his group and to contribute his thought to the collective intelligence of the entire group, for the bigger campaign is waged today on a larger field.

The individual of yesterday is a sturdy private in the ranks, yet sits at the council table with the captains.

And—this is highly significant—the private is retaining in his competitive play within the industry, that individualism which has made America and the American industrial system great.

What trade associations are doing, communities are doing, also. This will be discussed next month.



An impression of the Council Chamber of the Chamber of Commerce of the United States, from a lithograph by Herbert Pullinger

BABBITT THROUGH THE AGES



IV.—GREECE

MR. ULYSSES J. BABBITT, returning from an extended business trip to Troy, Crete, the Pillars of Hercules and points west, finds that his wife Penelope has gone in for the newer movement among the younger intellectuals and has become patroness (and financial support) of the "New Ithican," an organ devoted to the destruction of the fetishes of business and "sordid commercialism."

NATION'S BUSINESS

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MERLE THORPE, Editor

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"Anything to Get the Vote"

MR. LEASURE'S article in this number on "The Congressman's Side Of It" showing the various types of pressure that are brought upon members of Congress is timely.

The short session of Congress ends at midnight March 3. Hundreds of bills and resolutions which have been introduced since December, 1925, will be left in the discard. Many of these measures have been considered by the committees of Congress. Some of them have passed either the House or Senate.

Some one is interested in every one of these bills. A Senator or Congressman is being pressed from his home district, or by some group, to secure the passage of them.

It is obvious that most of those which are not well forward on the legislative trail are lost—and they have been unceremoniously dropped. But individual Senators and Congressmen, groups and blocs, both inside and outside of Congress, both political and special interest, are bringing to bear all the pressure possible to get the few bills which are well advanced voted on before the final gavel falls on the Sixty-ninth Congress.

There is more of this legislation than can be handled. Trading—trading for places on the calendar, trading of votes, marshaling of all the support possible for each measure—is the order of the day.

Every member of Congress faces the problem whether he will surrender his conviction against one bill in order to get a vote on his own favored measure.

The McNary-Haugen bill, defeated after the fullest consideration in the first session of this Congress a year ago, was reintroduced in December. On February 1 it had not been acted upon by either house. In this session the proponents of the McNary-Haugen bill were able by the threat of strangling other legislation to get a preferred place on the calendar for the farm bill. In order to be allowed to reach a vote on other legislation, opponents of the McNary-Haugen bill gave it right of way over legislation which had been before Congress twice as long and had already been passed by one house.

It is a poor commentary on American government when one group can hold up all process of legislation until it gets a preference for its particular bill regardless of merit. It is a worse commentary on American government when other groups submit to such dictation regardless of the merit of the bills considered.

The time has passed in American government when legislation affecting the whole American people—and the whole economic theory of our government—should be handled on the basis of "anything to get the vote."

Resolved—That We Go On With Our Jobs

THE SENATE asked the Shipping Board for "comprehensive and concrete plans for building up and maintaining an adequate merchant marine."

The Board has replied. Without a subsidy, no private ownership is possible, but "this board can establish an eco-

nomical and efficient government owned and operated merchant marine." That is, it can be done "with appropriations" and with authority to build more ships.

The Board wants the word "emergency" stricken from the name of the Fleet Corporation. It talks of "a definite plan for permanence." It asks for "a replacement and improvement program"—more ships instead of asking Congress for measures that would result in getting rid of what it has.

The Board does not say it in so many words, but we scent a willingness on the part of some, at least, of the Board to continue to serve their country at \$12,000 a year.

Portrait of a Nation's Business Contributor* By a United States Senator**

I knew him when he really was a right amiable fellow for the size he is; but he has come to be the little red ant in a doodle hole, the little tomtit in a blackjack.

Poor little Frank! I do not know what they have done to him. . . . I do not know; but poor little Frank! He has become such a disgruntled, embittered, soured little thing he has gotten to a point where he does not enjoy anything except pouring out the wrath of the predatory interests upon the heads of real American senators. Miserable little fellow, Frank, spelled with a small "f"—little frank—has become the paid pen-pushing puppet of the predatory interests.

Why, little Frank wrote an attack against me, and they printed it in the *Baltimore Sun*. . . . He wrote a nasty and miserable attack on me, and they mailed it down, then, to a paper in my state, and they reproduced it.

—From the *Congressional Record*, January 28.

* Frank R. Kent, who wrote, "Is the Business Man a Boob in Politics?" in February *NATION'S BUSINESS*.

** Senator J. Thomas Heflin of Alabama.

A Friendly Call on Cuba

JUST a little to the south of the United States lies Cuba, one of its best customers, and, we hope, one of its best friends. No small customer this. Its eastern end lies almost due south of New York, and its western end due south of Cincinnati.

A good customer, we have said; yet we buy from her more than we sell to her. In 1926 Cuba sent us \$250,000,000 worth, and we sold to her \$160,000,000. We smoke Cuban cigars, as we drink our coffee sweetened with Cuban sugar, and Cuba rides in American automobiles and eats bread baked of American flour. More than that, this country has invested in Cuba some hundreds of millions of dollars.

Friendship is rarely the sole, and seldom the chief, reason why customers buy goods. Price, quality, service—all contribute; and that is true of Jones's dealings with Smith and Cuba's dealings with the United States.

But if a good customer can be made a good friend, the tie is doubly strong. That is what makes important the meeting which the Board of Directors of the United States Chamber of Commerce has just held in Havana.

That a score of leaders in American business should journey to Havana to hold important business sessions and at the same time to add to their knowledge of Cuba and to Cuba's knowledge of us; that the opportunity should be afforded for a meeting of minds between industrial United States and industrial Cuba—these are fine things. The histories of the two countries are interwoven; so are their economic futures.

Such a meeting as that of February cannot but be productive of good feeling.

A Striking Figure

THERE is nothing new, of course, in the statement that the land is the source of all wealth, but now and then comes an exhibit that brings this home in startling fashion. In a recent issue of *The Executive's Magazine*, John G.

Lonsdale, president of the National Bank of Commerce, St. Louis, Missouri, brings us upstanding with the statement that the agricultural lands and improvements in the States of Missouri, Arkansas, Louisiana, Kansas, Oklahoma, and Texas are of a value \$900,000,000 in excess of all our coined money, all our currency, all our gold reserves in the vaults of the Treasury at Washington and all the reserves of the Federal Reserve Banks.

"Roughly speaking," says Mr. Lonsdale, "it would take the gold supply of the entire world to buy the agriculture land and buildings of the six southwestern states. No treasure ever possessed by any king or potentate is to be mentioned in the same breath with it."

Bigness!

ABANK has a billion dollars; U. S. Steel earns \$200,000,000 a year! Bigness! Is that the keynote of American business in this year of our Lord 1927?

And if it is, need we fear?

Are these tremendous forces to be forces for good or forces for evil?

The American public has asked and will ask these questions again.

A generation ago this country set on foot a campaign of "trust busting," of regulation, that has not yet ended. It may start it up with renewed power.

The easy answer is: There's no evil in bigness. But that answer is an evasion. There may be no evil in bigness, but there is power, and power may work for evil or for good.

So with expanding business and a greater concentration of power. If all the makers of shoes or sugar or shingles were in one group dominated by one mind, they might so improve or cheapen their products that all should benefit; they might so lower quality or raise price that all would suffer.

And there lies the lesson for American business. As it grows great, its responsibilities grow great. It can, and we believe it will, exercise those powers wisely and for the common good.

It is all well to tell me that bigness isn't evil; I know it isn't. But if I see an elephant in the street, I'm apt to dodge into a doorway until I know that it is under sensible control.

A Safe Speculation

IN FIVE weeks the common stock of Wheeling and Lake Erie went from 30 to 130 and from one side of the country to the other half a million pencils were drawn from half a million pockets to figure what would have happened, if—

There is no safer, and sometimes no more agreeable form of speculation than that done in the evening on the back of an envelope. A castle in Spain built on a paper foundation at least costs nothing.

Notes on Passing Business News

FIVE great silk firms plan to consolidate, and there is a rumor that sugar is to see a similar movement. Consolidation as a weapon against cut-throat competition?

HENRY FORD'S former partners fight the Government's effort to increase their taxes of some years ago, and the mightiest romance of business is put on the screen. The lawyer who incorporated the Ford Company charged \$25 for the job. Senator Couzens put in 25 hundreds and took out as many millions. Three different times a billion dollars was offered and refused for the Ford business.

STOCK exchange seats reach a new high level of \$185,000 and may go to \$200,000. The elder Rockefeller has had a seat for 44 years, but rarely was on the floor. Has the increase in value equalled the interest on the original price?

S. W. STRAUS warns against more building. We have enough offices, hotels and apartments. We have been building at the rate of six billion dollars a year for five years.

DANIEL G. REID, once a tin plate king, left less than \$5,000,000. Once he was said to be worth \$45,000,000. He left 40,000 shares of worthless stocks.



More Water for the Ducks to Swim In

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Shall We "Pay as We Kill"?

By ERNEST N. SMITH

General Manager, American Automobile Association

Cartoon by Cesare

IT WOULD be a personal calamity of major proportions if you or I were injured by a motor car when without funds to pay a doctor and hospital bill or living expenses until normal earning capacity was restored. The catastrophe would be complete if we could not recover awarded damages from the motorist who ran us down.

That is the characteristic condition described by those who attempt to amend that situation by proposing compulsory liability insurance or compulsory compensation insurance, or the equivalent of workmen's compensation insurance, or what have you?

Because of this appeal, often linked with unsupported claims and specious arguments, there is much misunderstanding as to what is really involved in this compensatory insurance, which, if universally adopted, will cost the American public approximately \$1,000,000,000 a year but will not contribute, according to most thinkers on the subject, one single item to the cause of safety and the preservation of life.

As a motorist, I believe that private insurance is essential and carry a large amount, but my back is up if my state tells me I must insure for certain amounts before I can drive, and dictates the financial responsibility I must assume. I am interested in knowing, as a motorist, what benefit to society and to me compulsory insurance is going to be.

The High Cost Apparent

THE point at issue, as stated in the first paragraph, is easily seen. Whether the remedy can be applied by the state through compelling me to carry insurance is a matter of justifiable doubt. The enormous financial burden to the country, however, is clearly apparent.

Let me set forth in two brief paragraphs two contrasting situations in which you might find yourself. We draw our best morals from personal experiences anyway.

First, you can live in communities where no driver's license is required, where there is no inspection made of your driving ability or accident record, or a record kept of a motorist's infractions of law. No one is legally prevented from driving a motor car at any time, unless physically incapacitated or in jail. Speed limits are not enforced. There is no such a thing as highway police. "Justice" is meted out usually by highway judges who are plain grafters in many instances.

I have not overdrawn this picture. Here is a locality where insurance would seem to be required. Outside of the fact that in such places it is hard to secure convictions, would insurance solve the problem? If anything, it would likely aggravate it. In-

dividual moral responsibility would be deadened.

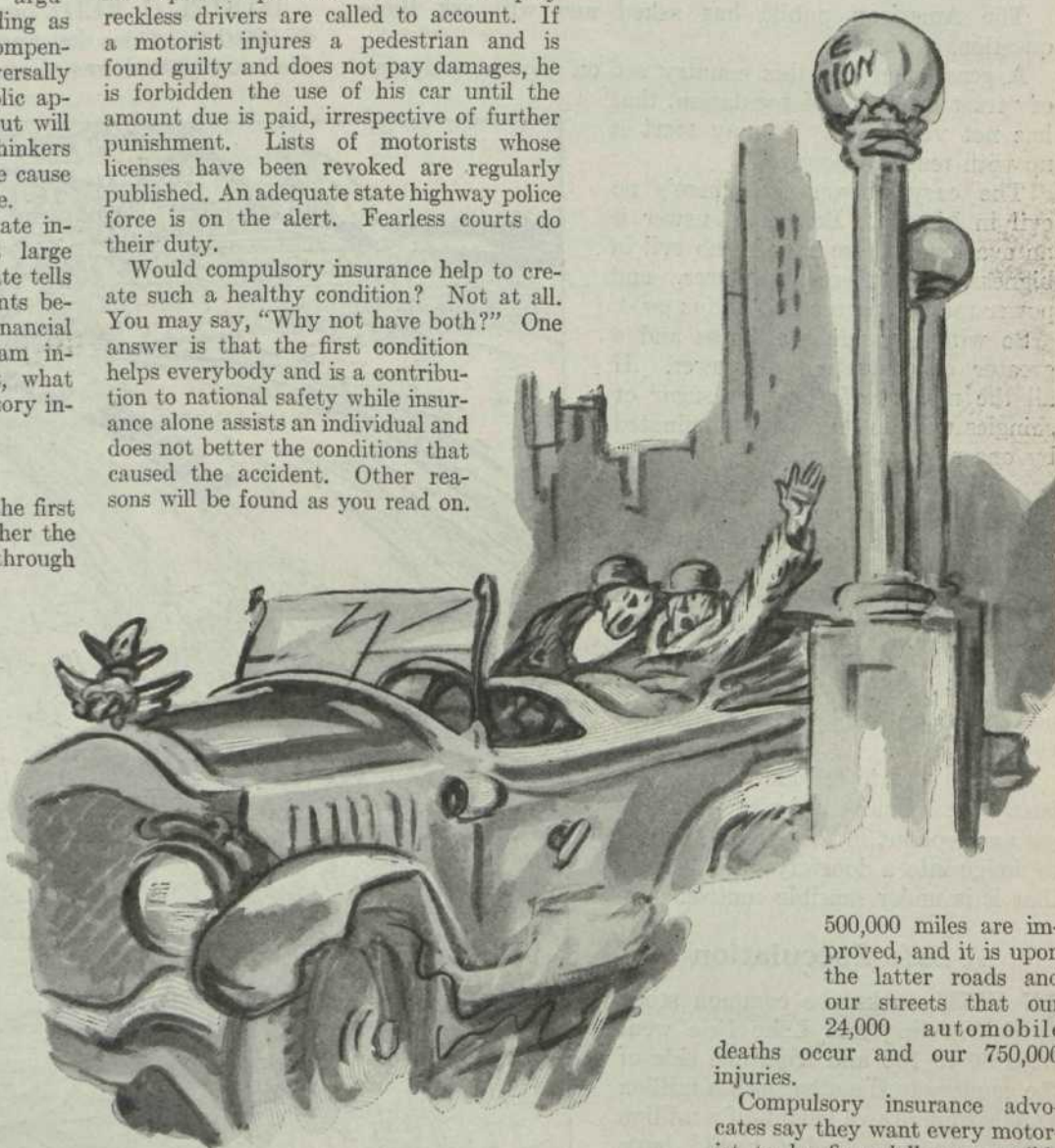
When Strict Laws Exist

SECOND, picture a state in which there is a strict driver's license law and a record kept of accidents. All the cities in that state have similar traffic laws. The roads are wide, bad curves eliminated, and intersections well signed. Drivers who constantly break the law are forbidden to drive for stipulated periods. Firms who employ reckless drivers are called to account. If a motorist injures a pedestrian and is found guilty and does not pay damages, he is forbidden the use of his car until the amount due is paid, irrespective of further punishment. Lists of motorists whose licenses have been revoked are regularly published. An adequate state highway police force is on the alert. Fearless courts do their duty.

Would compulsory insurance help to create such a healthy condition? Not at all. You may say, "Why not have both?" One answer is that the first condition helps everybody and is a contribution to national safety while insurance alone assists an individual and does not better the conditions that caused the accident. Other reasons will be found as you read on.

These questions bring us back to the original proposition of what compulsory automobile insurance was designed to accomplish. Let's analyze the situation.

Twenty million automobiles in the United States run the equivalent of twenty-five thousand times around the earth every day of the year. By competent authorities it is generally admitted that our traffic problems and many of our highway safety problems will be settled only when we have more highways, wider highways and when engineers have rebuilt our congested cities to handle properly automobile traffic. Of 3,000,000 miles of road in the United States approximately



500,000 miles are improved, and it is upon the latter roads and our streets that our 24,000 automobile deaths occur and our 750,000 injuries.

Compulsory insurance advocates say they want every motorist to be financially responsible—that no injured and guiltless person may lack the wherewithal to pay doctor and hospital bills. Would that we could deal with financially responsible people in every line of business and in every human contact. The millennium would be at hand.

Nobody has yet presented national figures, however, showing how many injured

Thinking in terms of the safety of your family, which state would you prefer to live in—other things being equal? Where would you be most apt to drive carefully? In what community would you feel the greater personal responsibility? In what place do you think there would be fewer accidents?

pedestrians, guiltless of contributory negligence, have been unable to recover awarded damages. This statement is not made in an attempt to shift responsibility from the motorist but to point out that before damages are collected it must be established by law that the injured was not at fault. The best statistics available would indicate that the motorist was wholly at fault in about one-third of the cases.

If we had uniform and universal compulsory insurance, only one-third of those injured would appear to have a clear case of recovery and suits are usually settled months after hospital and doctors' bills are due. And the injured cannot recover unless the person causing the accident is

legislators are considering laws which would cost the American public nearly one billion dollars without knowing who and how many will receive financial assistance not otherwise provided for.

Why the Billion Total

I REACH the billion-dollar figure by using \$30 a car for 20,000,000 cars. The cost of insurance and the number of cars is conservative. The number of cars will increase, and it is probable that the cost of insurance will also increase. Property damage insurance ought to be included in a comprehensive insurance plan, and this would add \$300,000,000 more, or a total of \$900,000,000. Need one refer to our war

in a majority of cases to penalize the motorist who causes the accident. Drunken, reckless or incompetent—he too often pays a cash fine and continues his drunken, reckless or incompetent motoring habits. He should be banished from the highways!

The public that has but little confidence that laws will be enforced and penalties imposed, says in disgust, "Let the injured get something out of it."

And so with this back-hand gesture an already overtaxed population may, because of an indifference to consequences or lack of understanding, suddenly awaken to the fact that a new burdensome tax is levied, and that an additional billion dollars a year is being spent without a nickel of that amount being used to wipe out the hazards that cause automobile injuries and deaths.

As a motorist, I want to see stricter supervision of traffic. I want to see present laws enforced and an adequate traffic force to do the work.

Fools First, Then Angels

FOOLS will rush upon railroad crossings where angels later tread. The smart grocery clerk tears up and down my quiet street and goes around corners on two wheels. I want him regulated. A drunken driver leaves dead and injured in his wake. He never should drive again. An exuberant student plays he is on his own campus in the streets of my city. One-armed men and deaf men and men whose sight

is affected have a right to drive an automobile in many places. People who ought to be in a sanitarium are put in automobiles instead.

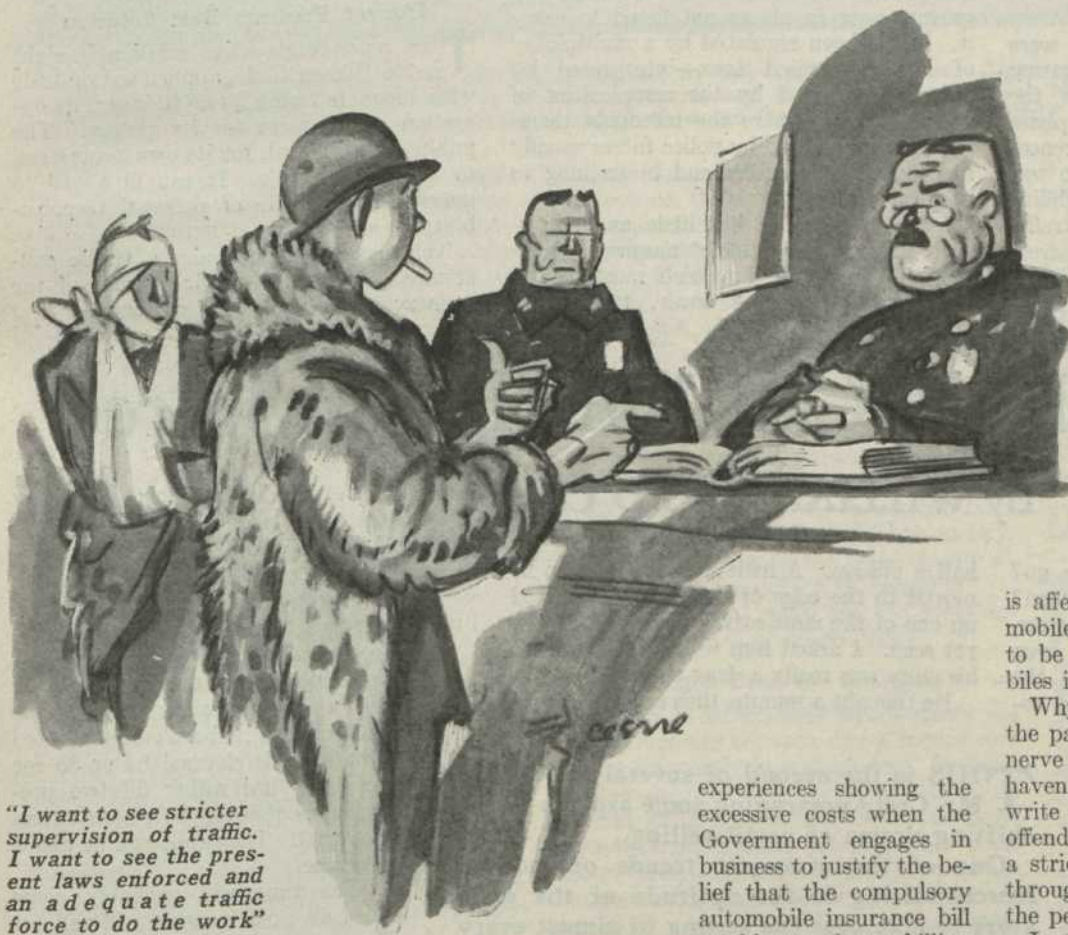
Why? Because in too many places in the past, state legislatures haven't had the nerve to enact a modern motor code, or haven't had the requisite knowledge to write a law with teeth in it. For fear of offending constituents they dare not enact a strict drivers' license law and eliminate, through examination or forfeiture of license, the person who should not drive a car.

Instead they offer a solace of money as a recompense for death. What a double tragedy!

Now Under Experiment

MASSACHUSETTS has adopted a compulsory automobile insurance law. It is already involved in complexities. It covers only personal injury and death. It is in force only on state highways. And so it must be supplemented by other insurance if all roads and all conditions are to be covered. Its advocates admit its present weakness by giving assurance that time will point out its defects and they may be remedied by amendments. It would seem, therefore, that other states might well await the outcome of the Massachusetts experiment.

It is not to be presumed, however, that deaths and injuries will be allowed to multiply while awaiting the outcome of the experiment. The American Automobile Association, the world's largest federation of motor car owners, after a thorough inves-



"I want to see stricter supervision of traffic. I want to see the present laws enforced and an adequate traffic force to do the work"

experiences showing the excessive costs when the Government engages in business to justify the belief that the compulsory automobile insurance bill would exceed one billion dollars annually?

within the jurisdiction of the court. So nearly as we can ascertain, therefore, two-thirds of the people injured couldn't recover damages. Doesn't this situation call for an adjustment or enforcement of adequate traffic laws?

Twenty Per Cent Insured

ABOUT 20 per cent of the motorists in the United States are insured. The percentage ranges from little or nothing in remote farming communities to as high as 60 per cent in cities. Here we have another interesting situation. Hundreds of thousands of motorists, such as farmers, residing in territory where the fewest accidents occur, must pay out millions of dollars in insurance because of accidents which take place mostly in territory where the majority of motorists already carry insurance.

So, taking the nation as a whole, some

Court procedure is long delayed now. With compulsory automobile insurance, as with other insurance, the claims will not be against the motorist but against the insurance company. It is inevitable that claims will be larger in number and in size and that the size of the judgments will likely increase.

The problem that really confronts us is one of safety. We want fewer accidents and fewer deaths. It is no answer to our problem for our lawmakers to say, "Let's pay cash for every accident."

The humanitarian motives which prompt a demand for compulsory insurance may sometimes do more harm than good. Witness the unemployment doles of England.

From a close study of the situation in all parts of the United States, I have come to the belief that the justifiable irritation of the American public over this situation springs from the fact that so little is done

tigation rejected compulsory liability insurance. It believes that personal responsibility for safe driving must be accentuated and not deadened by a payment of cash. It feels that safeguards must be set up and education in safety carried on.

It feels that the most potent remedy is ready for use.

It is ready for application in forty-two states whose legislatures meet in 1927. I refer to the traffic and safety code of the National Conference on Street and Highway Safety, initiated two years ago by Secretary of Commerce Hoover and supported by nine national civic organizations interested in safety work and accident prevention.

Traffic Experts in Conference

THE world's ablest traffic experts were included in the various investigating committees. For nearly two years the committees met and considered every phase of the work. Two national conferences were held. Every remedial suggestion was given consideration. Compulsory liability insurance was rejected. A universal traffic and safety code, however, was prepared. It is the distilled product of keen brains and humanitarian purposes. It offers the

best solution for our accident problem and, if all the state legislatures will adopt it, the United States will have taken its greatest step forward in accident prevention.

Why ignore that code and, in its place, submit a "Pay as You Kill" program?

No Universal Traffic Code

THERE is a universal code for ships that sail the seas. There are building codes that faulty construction may not endanger lives. There are sanitary codes that preserve health. There are safety codes for railroad operation. All have contributed to the preservation of human life.

But to date there has been no universal traffic code. The greatest transportation movement the world has ever seen has grown apace in places not fitted to carry it. It has been regulated by a multiplicity of hastily devised laws—interpreted by judges as puzzled by the complexities of the situation as were the motorists themselves, and enforced by police forces usually inadequate in numbers and in training to perform the task.

State laws are of but little avail, however, unless there is strict municipal regulation. The cities, in which most of our deaths and accidents occur, must have

similar traffic and safety rules, such, for example, as are being adopted in Pennsylvania and Michigan. These are based upon the Hoover Code.

When our rules are relatively the same in all parts of the country the education of our motorists will be simplified. An intelligent comparison of accidents will be possible. The community which is lax in enforcing rules of transportation and safety will stand out like a sore thumb.

We have our choice. Is it not better to report a record of lessening fatalities and injuries than to announce a record of increased compensation?

Must we strike a cash balance on human lives?

Hoover Presents Best Solution

THE most constructive solution in sight is the Hoover Code, applied nation-wide with adequate traffic forces to insure its operation and respect for its rulings. The public can ill afford, for its own protection, to ignore that code. It can ill afford to ignore the principle of personal responsibility.

This nation cannot quiet a traffic conscience or salve the traffic wounds of the country with a poultice of currency.

Why Do They Call 'Em Drug Stores?

HOW MUCH of a drug store is actually a drug store?

How far will the tendency to become a baby department store go? Will the old-style apothecary shop return? Or have alarm clocks, electric toasters, flashlights, dolls, coffee pots and even groceries won a permanent place on the shelves of the so-called drug store of today? And what part does the chain store play in this transitional retail drama?

The United States Census Bureau recently figured out the number of customers for a large variety of retail stores. Each drug store in the land has, potentially, about 1,400 customers. A grocer, on the other hand, has less than 500. The shoe merchant has about 5,000, the five and ten cent store about 20,000 and the book store more than 35,000.

Competition Exists

THE average grocer will carry about two or three thousand items. The average druggist has roughly four times that number. This varies, of course, with the locality. In the larger cities, the druggists will usually carry more items and have fewer "mathematical" customers.

As an example of how keen competition sometimes becomes between retailers in the same business, it has been figured out that in Philadelphia there is a grocery store for every 250 people. The same city has a drug store for about every 1,000.

I know a typical druggist who ran a store successfully for a quarter of a century on a very good downtown corner of a city of

By WILLIAM BOYD CRAIG

half a million. A little over a year ago he moved to the edge of the city and opened up one of the most attractive stores I have yet seen. I asked him what percentage of his store was really a drug store.

He thought a minute, then said, "Our pre-

THIS is the second of several articles by Mr. Craig portraying some aspects of the shifting drama of retail selling.

One of the strangest trends of modern merchandising is the aptitude of the drug store to take over the selling of almost every type of article. Goldfish, ukuleles, live bait, honey, air-guns, or a book to read over Sunday—you may find all these and more at your own druggist's. Why does he still call his shop a drug store? What determines the items he carries? These and other problems peculiar to the drug retailer make him a unique economic study.

The haberdasher, the hardware dealer, the butcher, and others will be the subjects of future articles by the same writer.

—The Editor

scription trade will average between 10 and 15 per cent of our total sales. Proprietary articles, that is, patent medicines, will come to just about twice that. Together they make just about one-third of our total sales. I found it just about the same downtown in the total, though there we filled fewer prescriptions and sold more patent medicines proportionately."

He seemed inclined to talk so I let him go ahead.

"My soda fountain and my prescription department run a close race in volume of business done, though there is a little better profit in the prescriptions.

"People generally hate to pay over a dollar for a prescription. A man who will lose a five spot on a horse without a murmur will feel that he hasn't been treated right if he is charged \$2 or \$3 for medicine. I'd rather fill two prescriptions at seventy-five cents than one at \$3. The profit will be about the same.

"The time will probably come when all such business will call for payment in advance. Too many prescriptions are never called for, which happens now and then when the customer recovers quickly."

I asked him what was the greatest difference he had noticed since moving. He said that it was the type of salesmanship expected in his present site.

When Buying Cigars

WHEN a man comes in now in the evening to buy a cigar he wants to chat for a moment or two. Customers generally seem to linger a bit longer than they did downtown. That is a very fine state of affairs, for the retailer, because I have in plain view several thousand attractive packages, each suggesting in its mute but eloquent way that it be carried home.

"The real salesmanship that I exert now is not alone in verbal suggestion but also in arrangement of the articles that they may speak for themselves. For instance,



Here are all the preparations for the teeth carried by one typical druggist. Some carry twice this many items and sizes. Each brand is fighting for the right to clean your teeth, and it is the druggist's job to find the exact number he can carry profitably. A few druggists have as many as thirty thousand items in stock. Some little familiarity with each item is essential.

a group of high school girls sitting at one of those tables drinking soda water and eating ice cream notice an attractive perfume bottle, or a vanity case, reasonably priced, under the glass table top. When one of the group walks out with something which she has observed while eating ice cream she is absolutely unconscious of the forces acting upon her in making that sale.

"That trait of seeing something and realizing that you need and want it is not strictly feminine. On Saturday evening some substantial citizen will walk in here to buy some razor blades. He may walk out with the razor blades, and also shaving soap, face lotion, talcum powder, and a box of candy for his wife. Each of these articles has come into his line of vision and reminded him of the need for it."

About one drug store in ten in this city is a chain store, so it occurred to me to ask him what he did to meet this competition and how much it worried him.

"There is keen competition between the independent and the chain store, but it seems to me to be working the drug store back into being more and more of a drug store and less of a specialty store, while the chains go in more and more for specialties.

"Of 53,000 drug stores listed in the Druggists' Directory, 4 per cent are chains, in the country as a whole. The chains stick to the cities.

Wherein Retailers Differ

"IN THE case of grocery stores, the chain carries just a few lines and brands and the independents carry two or three times as many. In the drug field it is different. The independent carries fewer total lines, but the chain loads up and offers a wider variety, mostly specialties. The independent has expanded his pure drugs somewhat, however, and the chains have narrowed down here. Branches of some chains have no prescription counters at all, but have a filling station at some central store.

"The obvious advantage that a chain has is, of course, in the buying end. By buying more they can sell for less, at least theoretically. To offset this, the independents here belong to a druggists' exchange which works like a very large

wholesale house in its buying and pays dividends on the amount of stock held by the independent members. Two-thirds of the independents here belong to the exchange. There are three wholesalers in town who do a very good volume of business. I split up about a quarter of my buying between two or three of them.

"Membership in the exchange here relieves my mind of a lot of worry in this way. I know that I will be able to buy just as well as my independent competitors. We all start from scratch.

"Of course, I still have to use my head on how much and when and what to buy. Hand-to-mouth buying has come to stay at least in this community with druggists."

He took out his pencil and did some figuring on the back of an envelope.

Citing a Case for Economy

"HERE is an example which shows the difference between direct buying and buying frequently in a small way. Suppose another druggist and myself sell an equal amount of a certain cod liver oil which costs \$8.00 per dozen. We will each average about three bottles a week at \$1.00 a bottle. Suppose I buy three bottles a week for the period of a year, then I never have more than \$2.00 invested capital in this item. At the end of a year I have sold 12 dozen for \$144, cost \$96.00, leaving a gross profit of \$48.00. That means a gross profit of 2,400 per cent on my investment.

"Also, on the other hand, my competitor buys a gross at \$96.00 less discount of 10 per cent, making his initial investment \$86.40. He reduces this investment \$22.00 each month from his sales. In 7 months he has his capital back. His average invested capital is \$30.00. Since his sales amount to \$144.00, he has turned his capital about 5 times. He pays interest on his capital at 6 per cent, so that he makes a gross profit of about 200 per cent on his average invested capital.

"Suppose instead of an investment of \$86.00 he invested \$2.00. That would leave him \$84.00 to invest in other items with somewhat the same turnover.

"The moral here is that no one is going to tie up any more capital than he can help in a single item. His problem then

is to find the other items which will turn over fast enough.

"On the other hand, hand-to-mouth buying is not an unmixed blessing to the retailer such as myself. Over a period of a year it takes a lot of time to make out fifty separate orders, check them, pay for them and set them on the counter. The same holds true for the jobber, wholesaler, or whatever the agency that distributes the goods. This added handling adds to the cost. Turnover of itself may not mean as large a net return as it appears to on paper because the operating costs go up pretty fast."

I asked what in his experience he had the most enjoyment in selling. He thought a moment and then said, "Goldfish. I had a sale on several years ago of a bowl and two goldfish with every dollar's worth of castile soap. In three days we gave away 200 of these premiums and the fun came in for me of catching the goldfish in a large tank in a little net. In those three days I think we saturated the local market with goldfish.

"There is a drug store in New York City at one of the subway stops which handles live chickens. One winter there in addition they sold three live calves. That is indeed a far cry from the apothecaries of old. Yet the principle back of this specialty selling is not so hard to follow. The pharmacy line is still the backbone comprising steps which turn quickly. All the specialties and novelties are built around that. They all allow a better mark-up. Each specialty is a law unto itself. It stays in stock as long as it pays for itself. Fad and fancy rule.

Novels as Business Builders

"TAKE the case of that little lending library in that corner of my store. In the six months that it has been here it has paid a profit of 100 per cent. It has the advantage over many specialty lines in that it brings the customer back into the store when he returns the book.

"You will notice that most specialties which are handled by the drug store are reasonable in price. Very few are marked at more than \$2.00. Generally they run under 50 cents. That seems to be the only

rule which determines what a drug store carries. The drug trade has been pretty successful in selling the idea of quality as well as reasonable prices in its general merchandising activities. If genuine diamonds sold for a dollar you would find them in the drug store.

"Mass production, standardization, and national advertising are the factors back of this idea of quality, but I do think that the manufacturers also have the high average of honesty among the druggists to be thankful for in carrying out this tradition."

I asked him what he considered the most important single factor in running a drug store, regardless of the locality.

Economy Is Best Formula

"WELL, I guess it would come under economy of management. In my time I have gone after increased turnover regardless of what it cost, but I've found that it paid me best to fight all unnecessary expenses to the last ditch. For instance, I don't add a new specialty line on guesswork. The manufacturers' agent may offer me a dozen jars of a new cold cream at a very attractive price, but I don't jump at that alone. If I see a national advertisement in a national magazine backing this new line I know that the demand is being built up. If the manufacturer is willing to give me a trial order on consignment to be paid for when sold, I may stock it and give it a chance for sixty days.

New Demand

"THE first request from a customer for a new article is hardly enough of a demand to warrant an expenditure. Two or three requests, however, following one another closely, tell me that a demand has been built up and that it is time I could meet it.

"My whole stock is really my best answer to the community's demands. Any store's success is based on the established clientele to which its service and merchandise appeal more than any other store. In other words, the store has a personality. So has the community. The two must fit if the

store is to succeed. Any merchant, druggist or whatever, who is making money is simply a community purchasing agent who has found out what the dominant group of that community needs. Then his instinct as a salesman makes him point out to that dominant group that they want what he has bought in anticipation of their needs."

Comparative Fixed Costs

I ASKED him how his present store compares with his former in operating expenses. He showed me some interesting figures.

In his present site his total operating expense was just 20 per cent of his net sales. Formerly over a long period it had run close to 30 per cent.

"My comparative stock turns are also interesting. When I moved into this store I made a survey of my whole history in an effort to surpass my record since I was getting somewhat of a new start here.

Previously my stock turn was about three times a year. My first year here was a bit

over five. Stock turn is a good index of the state of prosperity of practically any retail store. If you will look it up I think you will find my present stock turn is a little better than the average for the country for drug stores with the same general inventory.

"I tried an interesting experiment when I moved here. While the building was under construction—and, incidentally, I own it—I called in a lighting expert from the power company here and asked his advice on lighting. I knew just the layout I wanted and he gave me some valuable tips for the arrangement of lights and I made some changes in the specifications which have added to the present aspect of the whole display.

"If you will notice closely you won't find a single nook or cranny in this pharmacy which is not flooded with natural, pleasant light, without any strong glare anywhere."

Future Course of a Pharmacy

AS HE counted the proceeds for the day and put them in his safe, he became more personal.

"I have a son who will probably take over this business a few years from now. If he in turn runs it for a long period, I am inclined to think that he may find it becoming more and more of a drug store in that he will likely find his prescription trade increasingly profitable as time goes on. And I think the growth of the chains will aid in this.

"They are driving the drug counter up toward the front of the independent's pharmacy, figuratively speaking, at least."

Bed-time Story

BY THIS time he was turning out the lights and closing the store for the night.

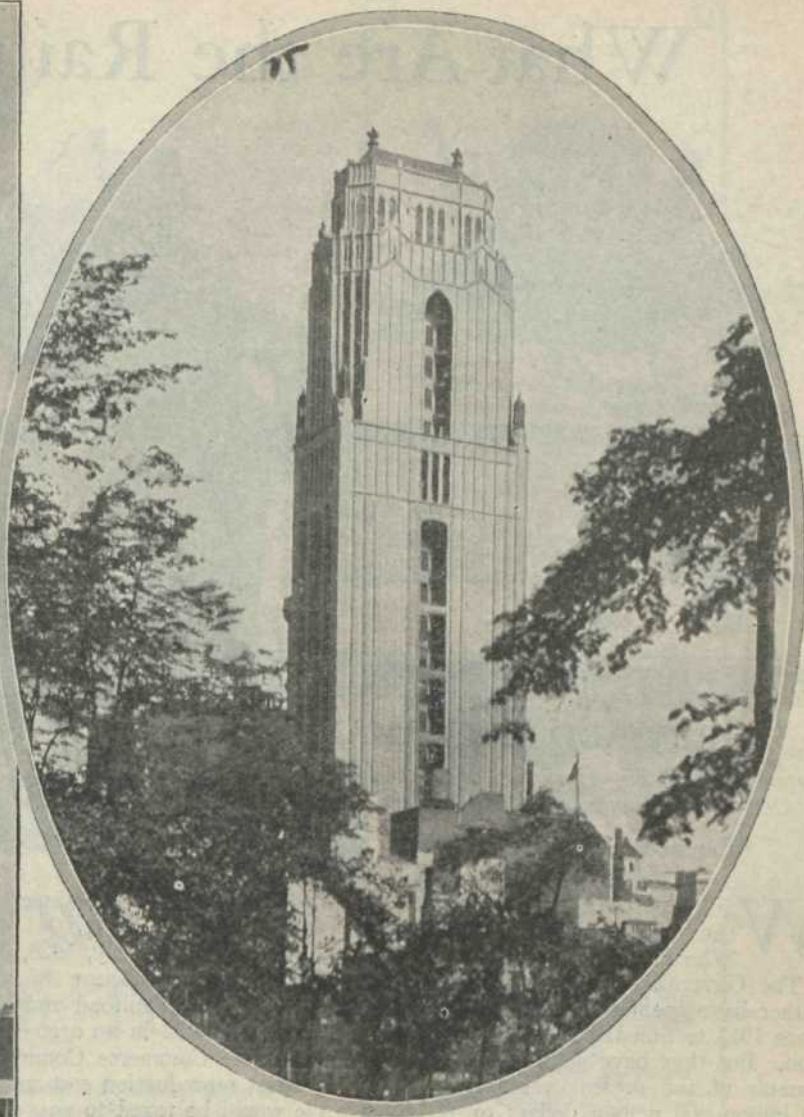
As he bade me goodnight at the door, he smilingly said, "Well, I guess I'll go home now and listen to the radio for a while. I understand that Chain Drug Stores, Inc., is putting a snappy program on the air.

"I think I sleep a little bit better when I get my evening bedtime story from a chain drug store."



PHOTO BY UNDERWOOD AND UNDERWOOD

Traffic congestion in downtown areas is one factor in the rise of the neighborhood drug store. This is another example of the merchandise hunting the man today, instead of the customer seeking the commodity, as was the case in retailing but a few years ago. Photo shows the usual state of traffic in downtown New York



Beauty and Utility

We asked a group of distinguished architects to act as unofficial jury in selecting a dozen or more of the finest American types of business buildings, combining utility and beauty. From time to time their choices will appear in Nation's Business

*Above, left: Tribune Tower, Chicago
Above, oval: Bush Terminal, New York
Below: John Hancock Building, Boston*



What Are the Railroads Worth?



By **RICHARD WATERMAN**

Department of Transportation and Communication,
Chamber of Commerce of the United States

Cartoons by Albert T. Reid

WHAT IS the "fair value" of all of the railroads in the United States? Who knows?

The Government and the railroads together have spent more than \$100,000,000 since 1913 to find the answer to this question. But they have not found it yet. Estimates of the present value range from 10 billion 600 million dollars to 44 billion dollars.

The Bureau of the Census said in 1904 that the "commercial value" of railway-operating property in that year was 11 billion 245 million dollars.

La Follette estimated in 1906 that the "actual value of American railways" was 5 billion dollars. Eighteen years later, although the railroads had added 9 billion dollars net to their property investments during the interval, he estimated the value of the roads at only 10 billion 600 million dollars.

The Railroad Brotherhoods in 1923 allowed the railroads "a probable value" of 12 billion dollars.

Some Various Estimates

THE INTERSTATE Commerce Commission in 1920 fixed the "value of the steam railway property" for rate-making purposes at 18 billion 900 million dollars. Since that date the railroads have added 4 billion dollars net to their property investment account.

The Commission showed in its annual report for 1926 that the total "capitalization" of all of the railroads of the country was 21 billion 800 million dollars; and that the aggregate "property investment" was 22 billion 700 million dollars.

It was estimated in 1926 by competent statisticians that a strict application of the rules laid down in federal court decisions would raise the value of railroad property

in this country to something like 33 billion dollars.

And finally in July, 1926, John E. Benton, General Solicitor of the National Association of Railroad and Utilities Commissioners, said in an argument before the Interstate Commerce Commission, "Under a strict reproduction cost method the people would be taxed to pay a return on 44 billion dollars."

What, then, is the fair value of the railroads?

Find the Answer, Said Congress

IN THE Valuation Act, 1913, Congress directed the Interstate Commerce Commission to find the answer to this question. The Commission expects to complete this monumental task in 1928. The work has already cost \$120,000,000, of which one-fourth—\$30,000,000—has been contributed by federal taxpayers and three-fourths by "Jones who pays the freight."

When Jones, in his dual capacity of federal taxpayer and railroad rate-payer, really considers these figures, he will probably say to his congressman: "Bill, how long is this railroad valuation going to take? What do you think it will cost? and, what do we get for our money?" If Jones' congressman has read his *Congressional Record*, he will reply: "We expect to finish the job about two years from now. After that we plan to keep it up to date each year by adding to the official valuation as fixed by the Interstate Commerce Commission the net increase in value for the current year."

"Of course you know that Congress has been interested in railroad valuation for more than forty years—ever since we passed the Act of 1887 creating the Interstate Commerce Commission. It took until 1913—twenty-six years—to reach the point

Are American railroads worth ten billion, or forty-four? Each figure has been seriously advanced as a fair estimate

where we could pass a valuation law; and since then we have spent fourteen years putting this law into effect.

"It has been a great fight. From the start we had the support of both the extreme radicals and the ultra-conservatives—for entirely different reasons. Thomas M. Cooley and Sockless Jerry Simpson, Theodore Roosevelt and Robert M. La Follette, Charles E. Hughes and Smith Brookhart, the Supreme Court, the Interstate Commerce Commission and the Plumb Plan League—all have urged the need for a federal valuation of railroads.

"The radicals wanted to show that the railroads are grossly overcapitalized and that the Government should squeeze the water out of the stock. The conservatives wanted to show what is the fair value of the railroads on which the owners are entitled to earn a fair return. Both wanted to establish a definite basis on which to fix just and reasonable railroad rates.

"We are convinced that a physical valuation is absolutely essential to railroad regulation by the Government. It is fundamental as a basis for rates, as an aid to railroad consolidation, and as a guide in the taxation of railroads.

It Has Been a Great Fight

"NATURALLY we are anxious to do the work at as low a cost as possible, but we believe that it will be worth all it will cost."

The congressman is right when he says that it has been a great fight. The fight started in 1886 when the Senate Committee on Interstate Commerce, in reporting the bill which afterwards became the Interstate Commerce Act, stated the evils the bill was intended to remedy, and included in the list "that the stock and bonded indebtedness of the roads largely exceed the actual cost of their construction or their present value," and "that unreasonable rates are charged in the effort to pay



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Carefully designed cushions spaced correctly in relation to the steering wheel, assure utmost comfort to the driver at all times.

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peak efficiency the smooth, effortless power for which Chevrolet's motor has long been famous.

Other new features are an improved transmission and new gearshift lever; a new and more conveniently located emergency brake; new and

stronger full-crown fenders; a new radiator of greater cooling capacity; a new coincidental ignition and steering lock; a new 17-inch steering wheel—and even bullet-type headlamps have been added to give a distinctive touch of smartness.

These are but a few of the many new quality features offered you in Chevrolet trucks—in addition to the 6-inch channel steel frame, rugged rear axle, oversize brakes, and semi-elliptic springs set parallel to the load.

If you want the utmost in commercial transportation combined with true economy, see the nearest Chevrolet dealer. Have him show you why Chevrolet trucks have been the choice of so many thousands of buyers. Have him give you a trial load demonstration—*have him prove the advantages of buying a Chevrolet truck!*

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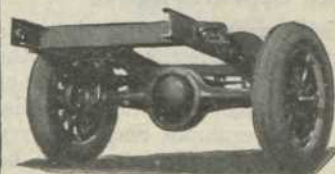
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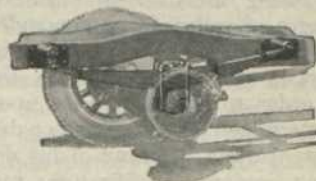
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The famous valve-in-head motor which has contributed so much to the success of previous Chevrolet Trucks, is now greatly improved and made better than ever before. Such important mechanical improvements as air cleaner, oil filter and new oil pump make it even more dependable and economical under every road condition.

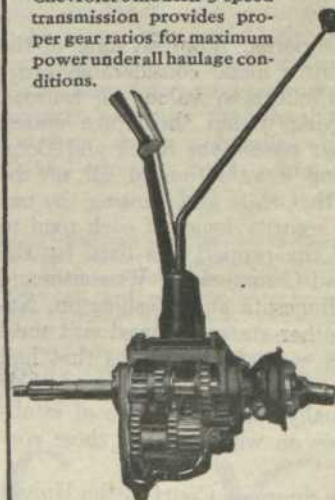


The rugged Chevrolet rear axle possesses all the strength and sturdiness required for heavy haulage.



Heavy extra-leaved truck type semi-elliptic springs—set parallel to the frame—cushion the load and chassis from the shocks of roughest travel.

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dividends on watered stock and interest on bonds improperly issued."

In order to meet this issue Congress provided, in Section 20 of the Act as passed, that the Commission might require of the railroads annual reports which would show in detail, among other things, the cost and value of the carriers' property, franchises and equipment.

A year later, in its second annual report, the Interstate Commerce Commission discussed this section of the Act at length and pointed out that "it was manifestly the desire of Congress to assure a trustworthy estimate of the relation existing between the present worth of railroad property and its cost to those who are proprietors of it." During the next fifteen years the Commission again and again urged valuation as a basis for rate-making; and, commencing in 1903, it urged this proposal every year in its annual report until 1913, when the Valuation Act was passed.

When Opposites Agreed

MEANTIME, many different interests supported the suggestion made by the Senate Committee in 1886. The radicals of the day adopted it as one of their main issues. In 1890, for example, Sockless Jerry Simpson used it in his platform when he was running for Congress. He was the soul of the Populist movement in Kansas. In his campaign he fiercely attacked large private corporations, particularly railroads, and demanded government ownership. As a means of exposing the over-capitalization and overcharges of railroads he demanded the appointment of "a National Commission to ascertain the actual value of the railroads in order to obtain a basis upon which to determine just and reasonable rates of transportation." Many of his demands had no economic justification; but this one was really sound. The trouble was that he demanded the right thing for the wrong reason. Jerry was elected to Congress and remained a picturesque figure in that body for four terms ending in 1900, but he failed to make any substantial progress toward the achievement of this particular aim.

During this period, however, some of the state legislatures made considerable progress in their effort to value the railroad properties lying within their own states. In 1894 Texas passed the Stock and Bond Law requiring a valuation of all of the railroads of that state and limiting the par value of the security issues of each road to the value of the property as fixed by the State Railroad Commission. Wisconsin and Michigan, Minnesota and Washington, Nebraska and other states followed suit until in 1907 there were fifteen states that had provided for an official valuation of their railroads, usually for the purpose of establishing a basis on which to tax these corporations.

In 1898 the Supreme Court of the United States laid down, in the case of *Smythe vs. Ames*, the principles that should guide in determining "the fair value of the property" used for the convenience of the public. The list of principles included: the original cost of construction, the amount expended for permanent improvements, the amount and market value of its bonds and

stocks, the present as compared with the original cost of construction, the probable earning capacity of the property under the particular rates prescribed by statute, and the sum required to meet operating expenses. The Court said that these economic factors "are to be given such weight as may be just and right in each case," and added: "We do not say that there may not be other matters to be regarded in estimating the value of the property."

In 1905 the United States Census Bureau and the Interstate Commerce Commission cooperated in the preparation of a report on the "Commercial Valuation of Railroads." This valuation was intended to show the market value of the properties and was found by capitalizing the net earnings of the roads—a method entirely different from that since used by the Interstate Commerce Commission in fixing the value of the roads for rate-making purposes.

For many years the chief advocate of federal valuation in Congress was Senator Robert M. LaFollette. He had been governor of Wisconsin from 1901 to 1905 and had brought about in that state the valuation of railroads by joint action of the State Tax Commission and the State Railroad Commission. As soon as he entered the Senate in 1906, he commenced to advocate a federal valuation of all of the railroads of the country. Year after year he introduced his valuation bill and urged its passage with all of the skill and eloquence for which he was so famous. On April 23, 1906, he delivered in the Senate an elaborate speech on the railroad bill then under consideration, which really marks the beginning of the movement for a federal railroad valuation.

Act Passed Fourteen Years Ago

THE VALUATION ACT was finally passed in 1913 after extensive committee hearings and debates in which economists, railway executives, state railroad commissioners and others participated. Mr. T. P. Artaud, who has served for many years as executive assistant in the Bureau of Valuation, has said in a recent address:

"The bill was drafted from the standpoint of obtaining all possible data on the present and historical status of the railways, without confining this scope to any particular class of information. It advocated no particular theory and imposed no limitations on commission or court relating to the use of the statistics gathered. Apparently the intent was to make its provisions all-embracing, to collect all possible facts ready for whatever use might later be found necessary or expedient."

The Act required the Commission to ascertain and report in detail as to each railroad in the United States (a) the original cost to date, (b) the cost of reproduction new, (c) the cost of reproduction less depreciation, and, separately, (d) other elements of value, if any—together with an apportionment of these items between the different states and an analysis of the methods by which these costs are obtained.

The Valuation Act prescribed a program far more detailed and comprehensive than any appraisal previously undertaken by any of the states. Senator Cummins stated

at the time that, in order to comply with the provisions of the Act, the Commission would be obliged to "secure almost all the information that is conceivable with regard to the value of railroad properties"; and Senator Newlands said that the plan approved by Congress called for "every element of value which could possibly be considered by a court in determining the question of fair valuation."

Some of the difficulties faced by the Interstate Commerce Commission in its effort to find original cost, and cost of reproduction new, may be illustrated by the story of the Chicago Terminal of the Illinois Central Railroad. A large part of the property included in this terminal lies near the center of the city of Chicago. The district in which it lies was once referred to by an early Chicago settler in the following words:

If He Had Only Had One!

WHEN I came to Chicago I could have bought all of the land in the downtown district for a red bandanna pocket handkerchief, but I didn't have the bandanna." Not many years after the time when this old settler came to Chicago, the Illinois Central Railroad applied to the City Council for a franchise permitting it to run along the lake shore for a distance of 7 miles within what is now the city limits, and to build its terminal in the heart of the business district.

At that time the City Council attached very little value to the proposed right of way, and it readily granted the franchise asked for. For many years the Illinois Central carried this property on its books at \$200,000. Today the Commission values it at \$34,000,000—a far cry from the red bandanna pocket handkerchief—basing this reproduction value new largely on the fair market price of the property adjoining the railroad right of way. It is, however, absurd to attempt to fix the price at which this property could be acquired today for railroad purposes. Chicago is finally awake to the value of its Lake Front and it would not permit any railroad to acquire this property for railroad purposes at any price. And yet the Commission is required by law to fix the cost of reproduction new of the Chicago Terminal of the Illinois Central Railroad.

At the beginning of the valuation movement even Senator La Follette had no adequate idea of the magnitude of the work, the time it would take, or what it would cost. In 1910, when he was speaking on the floor of the Senate in support of his valuation bill, one of his colleagues asked: "Senator, what will this valuation cost? And how long will it take?" His reply was immediate. "It will take about two years. . . . I have referred before to the very careful valuation of the physical properties of the railroads made by the Wisconsin Commission. Their engineers, contractors, bridge builders, architects and real estate experts have been sent to inspect every detail of the property. Engineers have gone on foot over the mileage. . . . I can say to the Senator from New Hampshire that at an expense not exceeding \$10 per mile, or \$2,400,000 for the entire mileage of the United States, we can



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4-wheel brakes*

AT THE New York automobile show, the Erskine Six — Studebaker's new-type car — was a sensation. New York echoed the enthusiasm of Paris and London — for this car is new . . . it is evolutionary . . . it is advanced!

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The Erskine Six is a revelation of custom car beauty. The fleet, buoyant lines of its body were designed by a great artist — Dietrich, whose custom bodies are identified with the world's highest priced cars. His design for the Erskine Six won a competition in which the leading carrossiars of America participated.

The graceful lines of the Erskine Six Custom Sedan, the handsome crown fenders, the embossed panel on the

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Richly upholstered in broadcloth with broadlace trim; hardware of bright silver finish; dome light; robe rail and silken curtains. Compartments for gloves or cigarettes at each end of the instrument board. Complete in every detail — new-type, one-piece windshield, automatic windshield cleaner; rear-vision mirror; hydrostatic gasoline gauge on the dash; coincidental lock to ignition and steering.

The Little Aristocrat

Be prepared for a surprise when first you see the Erskine Six. You will find it a distinct evolution in automobile building — an American fine car of the European type. You will likely want one for your own, personal use — regardless of how many cars you own — the moment you take the wheel and discover how deftly it handles, how smooth and effortless is the going.

Equipment — Erskine Six Custom Sedan (Illustrated); four-wheel brakes; full size balloon tires; bumpers front and rear; two-beam headlights; oil filter; rear traffic signal light; cowl ventilator; one-piece windshield; thief-proof coincidental lock to ignition and steering; automatic windshield cleaner; rear-vision mirror; hydrostatic gasoline gauge on dash; instrument board compartments; dome light; robe rail; broadcloth upholstery with broadlace trim.

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learn the valuation of the physical properties of the railroad companies of this country engaged in interstate commerce."

In response to further questions, he said: "If we start in on a federal valuation of railway property, the railways are likely to go step by step with the Government over all of that ground, and in all probability they will expend about as much as the Government will, and in the aggregate it will make about \$5,000,000." Fourteen years later that valuation is still in progress and has already cost twenty-four times the estimate made by Senator La Follette.

Requests for More Funds

IN 1925, when Commissioner Lewis appeared in behalf of the Interstate Commerce Commission before the Congressional Subcommittee on Appropriations, he asked for an additional sum of \$5,000,000 to complete the valuation. In the course of his remarks, he said:

"Neither the Commission as a body nor its representatives have ever made erroneous and hard and fast statements with respect to the Valuation Act as it finally became law. . . . Some of the representatives did hazard estimates of the cost and time which would be involved in making a physical valuation of railroads, but those estimates were not based upon the bill which was then before the committee, nor were they based upon the greatly expanded bill which was afterwards evolved in the Senate and which finally became law. It was one thing to estimate the cost of making an appraisal of the railway systems, but it was quite a different thing to estimate the cost of complying with the

Valuation Act in the form it finally became law."

In support of this statement, Mr. Lewis quoted the testimony given in 1913 before the House Committee by Hon. Charles A. Prouty, who was at that time a member of the Commission and afterwards resigned to become the first director of the Bureau of Valuation. Mr. Prouty said:

"We have from time to time insisted that these railroads ought to be valued; and if the valuation is made in accordance with the requirements of this law, the money will be wisely expended, even though it should cost \$25,000,000." Here he referred to Government cost, and his prediction was fairly accurate.

Speaking in 1920, before the House Committee, Mr. Prouty said:

"There is bound to be in connection with the protests of the carriers a great deal of litigation. . . . It is evidently going to cost considerable money. . . . It is rather my judgment that the Commission will spend as much money for work of that kind growing out of these valuation proceedings as they spend for their other examinations."

The litigation which Mr. Prouty forecast has already commenced. On January 3, 1927, the first proceeding in what is now frequently called "the biggest lawsuit of the century" was argued before the Supreme Court of the United States. The Los Angeles and Salt Lake Railroad, 1,000 miles long, has been given by the Commission, a final valuation as of June 30, 1914, of 45 million dollars. The road claims that its value at that date was 70 million dollars. Its experts testified in the lower

courts that it was worth 82 million dollars. Its capitalization is 95 million dollars. What is its fair value?

The railroads believe that the scope of the Supreme Court decision in this case will very largely determine the extent to which there must be further litigation by this and other railroad carriers of issues involving the administration of the Valuation Act.

Ninety-Nine Per Cent Done

THE COMMISSION has completed more than 99 per cent of the necessary field work; has issued tentative reports on 67 per cent of the railroad mileage of the country; and the valuations fixed on 7 3/10 per cent of the total mileage have become final. The Commission expresses confidence that the physical valuation of all of the railroads will be completed in less than two years.

What, then, is the answer to Jones' question: "What do we get for our money?" It is this. We pay the railroads 6,000 million dollars a year for freight and passenger service. If the official railroad valuation should cost us 150 million dollars, that would be only one-fortieth—2½ per cent—of the annual railroad bill. We shall be called upon to pay this amount only once; but the resulting valuation will affect our bill for freight and passenger service year after year for an indefinite period. It will give us an official statement of the fair value of the property on which the railroads are entitled to receive a fair return—a standard which we can use to measure our freight rates and decide whether or not those rates are reasonable.

In two years or so the Government says it may have the results of its rail valuation ready. It started fourteen years ago





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This is an age of hand-to-mouth buying. Salesmen of tobacco, candies and many other kinds of merchandise should be able to make deliveries on the spot. Even cash registers and typewriters are being delivered the instant a sale is made. Salesmen who can't make deliveries work under a handicap.

The same thing is true of men who sell from a catalog. When their samples are too large to carry, salesmen are at a disadvantage unless they are equipped with transportation which enables them to display their merchandise.

Still another need for a sales car with spacious carrying facilities arises among companies which supply dealers with window displays and literature. Window displays delivered by mail are usually forgotten and wasted. When a salesman has transportation which enables him to carry this material, he can deliver it to dealers personally and stay long enough to help trim the window.

In the past there has been no form of specialized transportation adaptable to sales use. Now Oakland offers the Pontiac Six De Luxe Delivery, which

has all the merits of two cars for commercial purposes. In the driver's compartment are the comfort and convenience of the finest closed cars. In the chassis is the performance, the "keyed to traffic" agility, for which the Pontiac Six is famous. And in the body are the roominess and sturdiness required for sales-delivery work and for carrying large samples.

Yet with all these fundamental features, plus the mechanical excellence for which the Pontiac Six is already famous, the De Luxe Delivery is the lowest-priced six-cylinder complete commercial car in the world. And its low operating and maintenance costs, together with its length of life, give assurance of continuous economy over a long period of years.

At your first opportunity, stop at the Oakland-Pontiac showroom and see how thoroughly the De Luxe Delivery fills the dual sales-delivery role. You will be astonished by its obvious quality and value!

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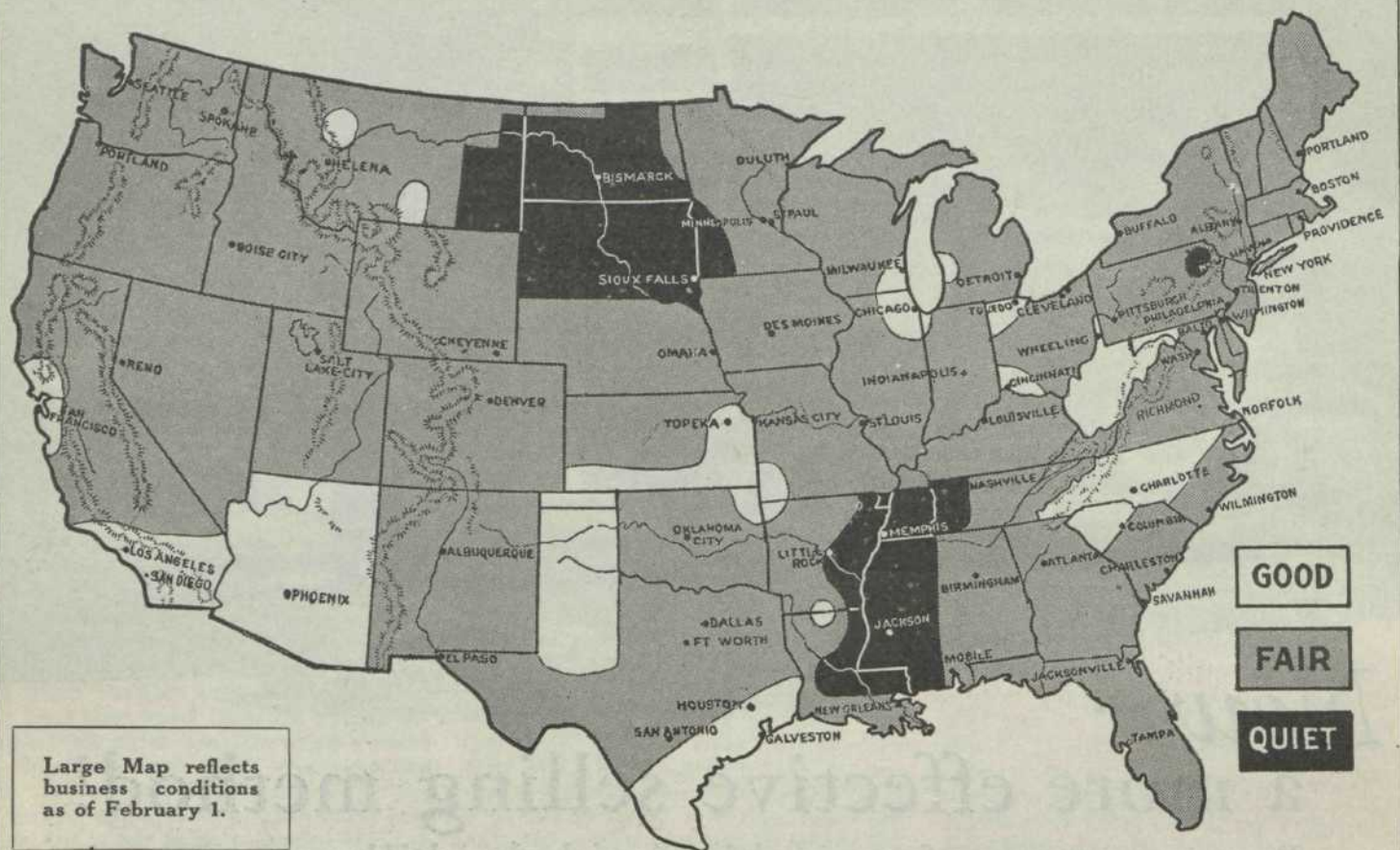
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The Map of the Nation's Business



The Business Map of Last Month



The Map of a Year Ago



THE YEAR 1927, in a trade and industrial sense, started off as 1926 finished, under a reduced head of steam. That is, the recession from 1925, shown in the last quarter of 1926, seems to have persisted into this year, although the volume of wholesale trade and of industrial output in January was generally better than in December though not in all cases up to the volume of January, 1926.

January retail trade, of course, fell off from the December aggregate. Seasonal conditions may be responsible for these variations, or it may be possible that changes in comparisons are chargeable therewith—January last year was a very active month—or it may be that the advance in wholesaling and manufacturing in January over December is a sign of a speeding up of operations in the

By FRANK GREENE
Managing Editor, "Bradstreet's"

first quarter of 1927. As to the latter hypothesis, it may be said that some lines, as for instance textiles, seem to indicate this, but general trade feeling does not take so cheerful a view. Even in the textiles, which are working on a rather lower price level than some months ago, the reports are better from southern sources.

Again, iron and steel lines which have shown most resiliency with a larger volume and more active production as compared with December, are conceded to owe some of the renewed animation to generally lower price levels.

The trade and industrial statistics of the past month present several differing aspects

as they are viewed from one side or the other. More time will be needed to demonstrate whether some of the predictions are correct that the so-called construction trades are to experience setbacks similar to those noted in the apparel trades last year.

Next to the fact that January, seasonal conditions considered, made a better showing than did December the outstanding feature of the month's operations has been the apparent cheapening of credit. There was a perceptible sagging in money rates, both call and time, accompanied by a volume of investment offerings rarely witnessed.

Notwithstanding this the averages of prices of bonds while tending to sag a little of late, touched a new high level in the month. The stock market was irregular; some picturesque advances in railway stocks, said to be due to contests for con-

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trol of important links in proposed new systems, contrasted with recessions in a number of industrials which did not find the month's trade and industrial developments especially stimulating.

Distributive trade reports have ranged from fair to quiet, being affected by varieties of weather which have made for irregularity alike at wholesale and retail. The month's weather ran the gamut from intense cold with heavy snows to spring-like warmth with heavy rains. These latter falling on frozen ground in central and southwestern areas caused floods which retarded the final salvaging of considerable remnants of the corn and cotton crops still in the fields and in wide areas restricted lumbering and country buying for spring.

On the other hand, while snow-cover on the winter wheat crop was scant, the reports as to plentiful moisture in the southwest, some parts of western Kansas excepted, and on the Pacific slope, caused a cheerful view to be taken of the earlier crop situation.

In the southwest indeed, especially in parts of Texas, there seems to have been a perceptible growth in optimism as regards the cotton crop, this perhaps being fortified somewhat by the rise in price of that staple over the month, although a counterbalance to this was found in some areas which reported the problem of reducing next season's area in cotton, clouded somewhat by this same rally in prices.

Some New Changes

SOME of the outstanding developments in trade and industry in January and early February, will stand enumeration as showing the varying trends. Pig-iron production in January showed a small fractional gain in output, three-tenths of 1 per cent gain over December, but a decrease of 6.4 per cent from the daily average of January a year ago. Steel ingot output increased 9.6 per cent over December, 1926, but fell 8.2 per cent from January, 1926.

January clearings fell 5 per cent from January a year ago, whereas debits gained 2.6 per cent over that month.

Chain-store sales marked a gain of 10 per cent over January last year, while mail-order sales decreased 6.9 per cent and the two combined increased by 2 per cent with department-store sales gaining by 1 per cent.

Car loadings were 2 per cent larger for the first four weeks of the year, but the entire gain was practically explained by the 15.7 per cent increase in coal shipments, most of this bituminous grades, forestalling a prospective April 1 strike. Merchandise loadings gained 1.5 per cent whereas ship-

ments of miscellaneous products, lumber, grain, livestock, ore and coke were less by various percentages. The failures for the month increased by 6.9 per cent over a year ago and liabilities, swelled by bank suspensions, were 43.5 per cent larger.

Building permitted for dropped 13.6 per cent below January, 1926, and the general level of prices as of February 1 fell 2 per cent from that ruling on January 1.

Weather or seasonal changes were reflected in important declines in eggs, but-

level of prices was partly responsible, but even more instrumental in this was probably the change in channels of distribution, the rise of the chain stores, etc., which have eliminated many wholesalers and jobbers as well as retailers.

That this trend is arousing a good deal of thought is evidenced by the remarks made before a convention of retailers at Chicago late in January by Edward A. Filene, who likened the stand of the ordinary retailers against the chain, the mail-order chains and department-store chains to a bitter struggle. His suggestion was the organization by the retailers and wholesalers supplying them, of chains of their own as one, perhaps the only, way out. His remarks remind one somewhat of the late Governor Flower's advice to young men, not to fight against, but to break their way into the big enterprises of his day.

Foreign trade in the calendar year 1926 ran true to its earlier form in showing the smallest excess of exports over imports recorded in all but one of the past fourteen years. Exports totaled \$4,810,411,597, a decrease of 2 per cent from 1925, but with this exception the largest export total since 1920.

Decline in Exports

IMPORTS of \$4,432,541,627 exceeded 1925 by 4.8 per cent and were second in value only to the record total of 1920.

The decline in exports was due mainly to the lower prices of cotton although grain exports as a whole fell off also despite a gain in wheat values. Gains in manufactured goods, especially machinery, coal, the latter due to the British strike, and petroleum were not enough to offset these losses.

In imports, raw materials—especially rubber, coffee, and the non-ferrous metals—showed large gains. While on the subject of foreign trade it is worth noting that December cotton exports were the largest in quantity for any month since the beginning of the Great war.

Unless all signs fail, the exports for the full cotton year ending with July next will surpass all records, mainly because of the world's willingness to buy at present prices.

The cotton crop of last year ginned 16,609,517 bales up to January 16, this total far exceeding the total crop of any previous year with a possibility that a good part of the 2,000,000 bales additionally needed to make up the predicted crop of 18,618,000 bales, may be added to this total.

Later details of last year's heavy business-failure totals bring out quite clearly the responsibility of bank suspensions for a good part of the total increase in number and liabilities.

BUSINESS INDICATORS

Latest month compared with the same month of the previous year, and the annual total for 1926, 1925 and 1924 compared with the annual total for 1923

	Latest Month Compared With Same Month of Previous Year	Annual Total 1923 = 100		
		Annual Total 1926	Annual Total 1925	Annual Total 1924
<i>Production and Mill Consumption</i>				
Pig Iron.....	93	98	91	78
Steel Ingots.....	87	108	101	85
Copper—Mine (U. S.).....	104	118	114	107
Zinc.....	106	120	111	101
Coal—Bituminous.....	104	102	92	86
Petroleum.....	117	105	104	97
Electrical Energy.....	110	132	118	106
Cotton Consumption.....	105	103	99	85
Automobiles.....	54	109	106	89
Rubber Tires.....	102	137	134	114
Cement—Portland.....	100	119	118	109
<i>Construction</i>				
Contracts Awarded (36 States) Dollar Values.....	83	153	146	112
Contracts Awarded (36 States) Square Feet.....	81	123	131	103
<i>Labor</i>				
Factory Employment (U. S.).....	97	92	92	91
Factory Payroll (U. S.).....	96	96	95	92
Wages—Per Capita (N. Y.).....	101	107	104	102
<i>Transportation</i>				
Freight Car Loadings.....	102	107	103	98
Gross Operating Revenues.....	100	101	97	94
Net Operating Income.....	88	126	116	100
<i>Trade—Domestic</i>				
Bank Debits—New York City.....	94	142	131	111
Bank Debits—Outside.....	96	119	114	101
Business Failures—Number.....	107	116	113	110
Business Failures—Liabilities.....	117	76	82	101
Chain Store Sales.....	109	138	127	112
Department Store Sales.....	104	110	106	101
Wholesale Trade.....	98	101	101	99
<i>Trade—Foreign</i>				
Exports.....	99	115	118	110
Imports.....	91	117	111	95
<i>Finance</i>				
Stock Prices—20 Industrials.....	99	161	142	105
Stock Prices—20 Railroads.....	109	138	122	105
Shares Traded In.....	85	195	196	119
Bond Prices—40 Bonds.....	103	110	107	103
Bond Sales.....	120	113	124	137
New Securities Issued.....	70	102	101	89
Interest Rate—Commercial Paper, 4-6 months.....	96	85	81	78
<i>Wholesale Prices</i>				
U. S. Bureau of Labor Statistics.....	94	98	103	97
Bradstreet's.....	91	97	104	97
Dun's.....	95	99	104	100
Average Month, 1913 = 100				
	Latest Month	Average Month 1926	Average Month 1925	Average Month 1924
<i>Retail Purchasing Power, 1913 = 100</i>				
Purchasing Power of the Consumers' Dollar.....	59	60	60	61
Purchasing Power of the Clothing Dollar.....	58	58	58	57
Purchasing Power of the Food Dollar.....	62	63	64	69
Purchasing Power of the Rent Dollar.....	58	57	56	54
Prepared for NATION'S BUSINESS by General Statistical Department, Western Electric Company, Inc.				

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ter, lard, sugar, coffee, rice, potatoes, raisins, tobacco and hay, but weakness in many kinds of iron and steel, copper, lead, tin, cement, rubber, silk, hemp, flax, was also noted.

Advances in rye, livestock, meats, leather, cotton, cotton seed, cotton-seed oil, and leading vegetable oils partly balanced the above declines.

January saw published many belated returns of 1926 trade and industry. The Federal Reserve Bank reported that wholesale trade last year was about equal to that of 1925, but fell below that of 1919 by 16 per cent. For this the generally lower



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As the Sixty-ninth Closes

By FRANCIS COPELAND

THE SIXTY-NINTH Congress will end within a week after this article appears. As the end draws near the legislative machinery gains increasing momentum, and the turn of events during the closing days will determine the fate of numerous important measures that have been the subjects of many weary hours of conscientious labor during the two-year life of this Congress. Bills that have run the gauntlet of hearings, committee report, passage in one branch of Congress, and report in the other branch will die on March 4 in the biennial legislative jam that occurs with the end of a Congress. Others, after long delay, will receive final approval through the process of removing opposition by compromise and trades.

The chief business of the present short session has been the regular annual appropriation bills, and these have been pushed through in an orderly fashion. In some cases Congress has asserted its constitutional prerogatives and has departed from budget estimates in voting funds.

Bills Already Passed

Despite the fact that appropriation bills have had the right of way, a number of important measures already have become law. This list includes:

Increased salaries for federal judges ranging from a raise from \$7,500 to \$10,000 for district judges to a raise from \$15,000 to \$20,500 for the Chief Justice of the United States.

Rivers and harbors legislation authorizing projects totaling \$71,000,000—\$11,500,000 for the purchase of the Cape Cod Canal; \$12,000,000 for the Missouri River; \$3,500,000 for the Illinois River; and a large number of other projects in nearly all parts of the United States. Water diversion from Lake Michigan at Chicago is maintained with no further increase.

Federal aid to states under the Maternity Act has been extended until June 30, 1929, after which date the act will stand repealed.

Title to public school lands in western states has been relinquished by the Federal Government through passage of a bill clarifying a confused and controversial situation.

Ten million dollars have been authorized to combat the European borer, which has become an increasing menace in eastern states in the corn belt.

The bill for inspection and regulation of imports of milk and cream has passed both branches of Congress.

Treaty with Turkey Rejected

By a secret vote reported as six short of the needed two-thirds majority, the Senate in executive session rejected the Lausanne Treaty with Turkey which has been awaiting ratification since 1923. The informal agreement with Turkey, in effect pending Senate action, has expired, and a confusing situation faces Americans who have interests in Turkey. The chief opposition to the treaty is said to have been based on

the alleged lack of guarantees provided for Armenians and other non-Moslem minorities under Turkish rule.

Pending Issues

Aside from general topics of political and emotional speech-making, Congress has actively before it the McFadden-Pepper banking bill, postal rates, alien property, radio regulation, limitation of imports of cigars and cigarettes, farm relief, Boulder Dam, and immigration.

Banking

The deadlock on the McFadden-Pepper banking bill, which had prevented action on that measure since last May, was broken when the House recently voted to accept most of the Senate amendments. The Senate, if a vote is reached, should pass it, but a few Senators have energetically opposed its further consideration. Obstructive tactics directed against the bill had the effect of forcing consideration of other measures, notably the farm relief bill.

The proposal as it now stands would grant indeterminate charters to Federal Reserve banks, give new powers to national banks, and prescribe branch banking under restrictions. The Hull anti-branch banking amendments, the bone of contention, were rejected by the House.

Taxation

The death knell of tax reduction legislation was sounded when the Senate, by a party vote, refused to accept Harrison's resolution, declaring it the sense of the Senate that permanent tax reduction should be made now.

In the House a Democratic move by petition to take tax legislation out of the hands of the Ways and Means Committee has failed for lack of signatures. All the Democrats signed, but they could get no Republican recruits. While efforts of the minority to force tax reduction kept the issue alive, the prospect is that taxpayers will have to wait until 1928 for the promised relief. The charges of Democrats that the party in control is looking to the political advantages of a pre-election tax cut have not dislodged Republican leaders from their stand against action this session.

Postal Rates

A bill fixing postal rates at something near the 1925 schedule has been reported to the Senate. It incorporates several separate bills already passed by the House and includes other new provisions. There is fair prospect for passage if it can be brought to a vote. It would be a hodge-podge measure, however, which would become the subject of such sharp controversy in conference committee that ultimate legislation appears doubtful.

Senator Moses, chief sponsor of the bill, is pressing for action, but competition of other measures blocked his efforts. The

Post Office Department has made known its objection to postal legislation, which, it says, would add to the postal deficit.

Radio Communication

After many months, the joint conference committee on radio legislation has compromised its differences and has reported a bill for federal regulation of radio communication. The House promptly agreed to the conference report, but Senate approval is at least doubtful. The compromise bill creates a commission of five, named from five geographical zones, which will license stations for one year. After that time the Secretary of Commerce would exercise the necessary regulatory powers, but appeals could be made to the commission. The clamoring multitude of radio fans, enraged by piratical interference that has spoiled many good programs, has bedeviled Congress for this legislation with increasing insistence.

Alien Property

After extensive hearings by the Senate Committee on Finance, the alien property bill is now before the Senate. Material amendments to the House bill have been made. Its fate is uncertain, but it is likely to be talked to death if a serious effort is made to reach a vote in the Senate. While the bill is said to satisfy both American and German claimants, some senators feel that American taxpayers are asked to shoulder an unfair burden.

Foreign Commerce Service

The bill to give a permanent legal status to the Commerce Department's corps of commercial attachés and trade commissioners is still on the Senate calendar and assured of passage if a vote is reached. The House passed the bill in the last session of Congress.

Parcel Post with Cuba

Repeal of restrictions on imports of cigarettes and cigars in lots of less than 3,000, as proposed in a bill reported by the House Committee on Ways and Means, may pass the House. Shortage of time will prevent passage in the Senate if one or two senators actively seek to block consideration of the bill. Some of those who fear loss of business by the American tobacco trade are doing their utmost to defeat the bill. The American Federation of Labor also has protested for fear it will mean loss of employment for domestic tobacco workers.

McNary-Haugen Farm Bill

The fate of the revised edition of the McNary-Haugen farm bill will have been decided before this is printed. In the Senate its sponsors have maneuvered through an adroit process of reciprocal "back scratching" to force a vote in order to permit action on other important bills. Its supporters have had the help of southern members, who last year were cold to the proposition but have become more sympathetic because of reverses suffered by cot-



Main building, Studebaker Corporation, adjoining New York Central tracks at South Bend. Cooper Hewitt illumination.

204 © C. H. E. CO. 1927

You have to be asleep to miss the Studebaker plant when you pass through South Bend at night. The clear, green rays of the Cooper Hewitts irresistibly draw your eye. Every window is outlined against the darkness as though it were a hole cut out of the night. You know that such a plant is a busy one you know that you are looking at a "different" kind of light.

The clear, cool color is not the result of using any screen, globe or frosting in connection with the Cooper Hewitt lamp. It is the natural color of the light itself, a distinctive yellow-green which provides a greater proportion of "seeing rays" than any other light. That explains one of the reasons why plants like Studebaker prefer Cooper Hewitt.

Peter Cooper Hewitt gave the world perfect light to work by when he perfected his invention in 1903. Since that time its growth has significantly paralleled the expansion of industry. Every period of unusual activity, every new advance in the modern production idea, has called for more and more Cooper Hewitt Work-Light. Cooper Hewitt Electric Co., Hoboken, N. J.

COOPER HEWITT

BETTER THAN



DAYLIGHT

Continuous production rests on uniform lighting

Cooper Hewitt Work-Light is the only industrial illumination that can furnish an unvarying intensity every hour of the twenty-four

In the automotive industry, where mass production has been carried to its highest development, Work-Light is notably the preferred type of illumination



PACKARD
Body trimming



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Final inspection



AC SPARK PLUG
Speedometer assembly

Because—*it blends perfectly with daylight*

Sundown never means slowdown in a Cooper Hewitt lighted plant. The strongly visual yellow-green rays serve to strengthen daylight at all times. When the sun goes down and the lights come on, workmen do not notice the transition. Their seeing power is in no way diminished. And at night, when Cooper Hewitts have the field all to themselves, both quality and quantity of production are as good as, or better than, the daylight production.

Because—*it throws an even light over, around and inside the machine*

Men working under Cooper Hewitts do not know what it is to have "too much" light in one place and "not enough" in another. The illumination from the long tubes bathes every machine and gets down inside complex working mechanisms just as evenly. Eyes are able to hold their focus; pupils do not have to expand and contract constantly. This one advantage alone effectively reduces eyestrain.

Because—*its detail-revealing quality permits uniform inspection — day and night*

This is the feature which usually has the strongest appeal to manufacturers making their first acquaintance with Cooper Hewitt. They quickly find that Cooper Hewitts automatically "tighten up" their inspection, and notice that this holds good on night as well as day shifts. The peculiar ability of Cooper Hewitt light to magnify small detail makes defects which are usually invisible stand out sharp and clear.

Because—*it eliminates all eye-strain and removes the chief cause of defective workmanship*

Everybody knows that "green is good for the eyes," but Cooper Hewitt has more than color in its favor. The complete freedom of strain that Cooper Hewitt provides is the combined product of several other distinctive features—such as perfect diffusion, absolute glarelessness and total absence of the hot, fatiguing red rays found in all other light.

Work-Light is successfully used in thirty-eight different types of industry, particularly in metal working, wood working, and textile manufacture



DODGE BROTHERS
Crankshaft grinding



FORD
Body assembly



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Parts inspection



FISHER BODY
Sewing tables

A trial for any department of your plant can be arranged without obligation. You will never fully realize what light can mean until you see what Cooper Hewitt does for your workmen and your work. Address Cooper Hewitt Electric Co., 123 River St., Hoboken, N. J.

COOPER HEWITT

BETTER THAN DAYLIGHT



ton producers. The tobacco group joined forces with the Haugenites at a late hour. Outside opposition to the bill has not appeared in anything like the force marshaled against similar legislation in previous years. Certain groups that formerly have attacked the soundness of farm relief measures seem to have tired of the struggle and appear willing to let the plan be tried for any economic benefit that might come, if it works. Some authorities are so sure that the pending bill will be declared unconstitutional that they do not consider it worth while to oppose its enactment.

The strategy of the McNary-Haugen advocates in securing consideration of that measure has jeopardized the chances of all other legislation except the appropriation bills. With six more appropriation bills to act upon, the Senate will have little time for consideration and action upon the other measures listed in this article.

Boulder Canyon Dam

The graveyard of blasted legislative hopes will be crowded with a notable assortment of bills that got a good start but fell by the wayside.

The great Boulder Dam project on the Colorado River will meet this fate. This measure, proposed for purposes of flood control, irrigation, and power, has harassed Congress for a decade. It has been reported to the House, but a crowded calendar will prevent action on it unless a special rule for its consideration is offered by the Rules Committee—and the sentiment of that committee seems opposed to such action.

Even if the House acts favorably, senators from Utah and Arizona threaten extreme measures designed to block action in the Senate. Senator Johnson of California is the bill's champion, while Senator Ashurst of Arizona has proclaimed his purpose to use every parliamentary device to defeat it.

The crux of the controversy hinges on the proposal to put the Federal Government into the electric power business in competition with private power corporations, and the belief of certain states that their rights to the Colorado's waters are not adequately recognized.

Immigration

The Senate voted to defer for one year operation of the "national origins" clause of the Immigration Act, effective next July. An estimate of the probable effect of this clause has caused many of its erstwhile advocates to demand its repeal. It would materially reduce the number of admissible immigrants from Germany, Ireland and the Scandinavian countries. This sentiment may lead to House acceptance of the Senate's action. Many other proposals to modify troublesome provisions of the present immigration law have been retarded, and it looks as if nothing will come of them in this session.

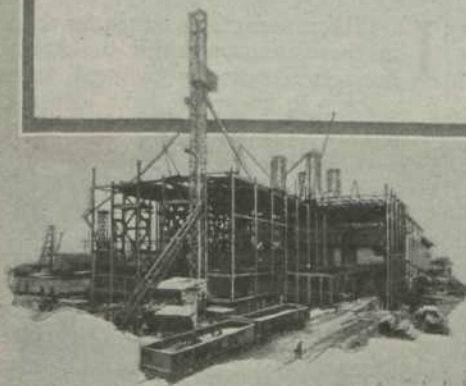
Railway Consolidations

Committees of the Senate and House have faithfully considered the Parker-Fess railway consolidation bill. It may be reported in one or both bodies of Congress, but little chance exists for its enactment this session. It probably will receive the

"If you retain this Firm—

It is our opinion that you will get the best engineering service that is available in this country, that the work will be done within the estimate they furnish you, and that they will produce a structure which will be definitely permanent and durable."

Part of a letter from a Stone & Webster client to a prospective client



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Facts Headquarters—

INTO the thirty-one district offices of the Portland Cement Association every day come many who are vitally concerned with planning and building the America of tomorrow.

Engineer and architect and contractor—all come to these Facts Headquarters for specialized information about portland cement concrete—facts and findings that permit the fullest, best application of concrete to their many and varied problems.

Through its research, educational and field activities the Portland Cement Association is bringing lasting benefits to millions. Its constant aim is "to improve and extend the uses of concrete"—and its work is made possible by the hearty support of the eighty-four manufacturers of portland cement who comprise its membership.

Portland Cement Association
CHICAGO

*A National Organization to Improve and
Extend the Uses of Concrete*

OFFICES IN 31 CITIES

finishing touches in the next Congress. Increasing support has come to this measure, which permits consolidations under supervision of the Interstate Commerce Commission under conditions less objectionable to the railways than the compulsory conditions contained in previous bills.

Patents, Trade-Marks and Copyrights

Bills to make important changes in the trade-mark laws are pending in the committees, but no action is expected because of controversies among trade-mark lawyers and others. Likewise, bills which would make extensive changes in the copyright laws will make no material progress. Bills which would make meritorious changes in Patent Office procedure, and also a bill to give the Commissioner of Patents more authority to deal with unscrupulous patent agents, have made sufficient progress to indicate that they may become law.

Muscle Shoals

What to do with the Government's Muscle Shoals plant is still perplexing Congress. New offers for the property bob up periodically, and none of them has won the preponderance of support necessary to assure congressional action. In the meantime the

War Department is in the power business at Muscle Shoals, leasing the power to one of the applicants.

Bills Facing Failure

It appears certain that pending bills on the following subjects will die with the close of this session:

"Truth in fabrics" bill.

Measures for control of the coal industry.

Proposal for "free" foreign trade zones in American ports.

Standardization of baskets and hamper sizes.

Abolishment of the federal personnel classification board.

Creation of federal department of education.

French debt settlement.

Fitzgerald workmen's compensation bill.

Migratory bird bill.

Convict-made goods.

Uniform ocean bills of lading.

Reorganization of the Shipping Board.

Pullman surcharges.

Long and short haul railway rates.

Day labor in public construction projects.

What the World of Finance Talks Of

By Merrylye Stanley Rukeyser

IN THE conscientious search for shadows in the canvas on which the American business situation is pictured, there is a tendency to ignore the light. There is a disposition to forget that the current prolonged period of stabilized prosperity constitutes the golden age in American business.

From what fountains and springs are the elements of strength so abundantly drawn?

Otto H. Kahn, Maecenas of the theater and the concert hall, who as a side line is also one of the most analytical of present-day bankers, has undertaken to list the national assets. There is long-sweep vision in his tabulations.

Although the fortuitous circumstance of the war quickened the forward movement, Mr. Kahn believes that the advance would have been inevitable anyway—war or no war. As a matter of fact, some meistersingers of American economic greatness, like George E. Roberts, believe that the war was a deterrent rather than a stimulant.

Each diagnostician is likely to be impressed with different phases of the American business behavior. Mr. Kahn, partner of Kuhn, Loeb & Company, stresses eight cardinal points:

1. This country, through the blessing of Providence, is endowed with a combination of natural advantages and resources such as none other possesses or ever did.

2. We stretch across a continent, unhampered by frontiers or custom barriers. We have no bitter legacies of racial or religious or territorial conflicts. We have no neigh-

bors to threaten us, or cause apprehension to us, or trouble our peace.

3. We have the inestimable benefit of a wonderful constitution, which has stood every test and strain.

4. Ours is a hard-working and intelligent population; self-reliant, venturesome and striving; free from hidebound traditions and trammeling observances; progressive and democratic in its tendencies, yet, at the same time, deeply attached to American institutions and to the fundamentals of the American system and aim of government, determined to preserve them against attack from whatever quarter, and wholly proof, in its overwhelming mass, against the enticements of Bolshevism and similar subversive fallacies.

5. This is the home of opportunity beyond all other countries. The road to the top is open.

And, as there is no fossilization of caste in American life, so is there no fossilization of method in industry.

6. Prosperity is more widely diffused in this country, excepting, for the time being, throughout the agricultural population, than it ever was before, or more than it is anywhere else. . . . The difference between that which is available to people of small means and that which is available to the well-to-do, or even the rich, is steadily diminishing. America has become a country of small investors.

7. The relationship between capital and labor has vastly improved.

8. With the ever-widening diffusion of prosperity and the ever-advancing standard of living, plausible economic fallacies which for many years had a strong hold upon a large portion of the plain people have lost much of their power, being displaced by the

N.Y. Times

PENNSYLVANIA PAYS RECORD DIVIDEND

Mailing \$8,655,000 in 138,591
Checks Today—Recipients
Scattered Around World.

FIRST OF NEW QUARTERLIES

Now on 7% Annual Basis—Keeps
Slate of Payments Unbroken—
177 Since 1846

Dividend checks aggregating \$8,655,000, the largest quarterly disbursement in the history of the Pennsylvania Railroad Company, were mailed today from the company's mailing room in New York City.

William Green,
32 Main St.,
N.Y. City.

the disbursement. The total work of signing equals seventy days of eight hours each for one man writing with an ordinary pen. The road uses a mail metering machine for the posting operation instead of postage stamps. This saves the company's forces the work of sealing the envelopes and attaching the stamps.

METERED MAIL

is welcome mail

The Pennsylvania Railroad Company and hundreds of other prospering corporations, comprising more than 76% of the large dividend-paying concerns in the United States, despatch millions of dividend checks by the "Metered Mail" System every year. Little wonder, then, that the oval indicia of "Metered Mail," illustrated below, has grown to be a symbol which commands attention.

The "Metered Mail" System will pay you Dividends

by saving time and labor in the preparation of your mail and safeguarding your postage account.

It will expedite the delivery of your important mail by saving time-consuming operations in your Post Office.

The Postage Meter Company

709 Pacific Street, Stamford, Conn., U. S. A.

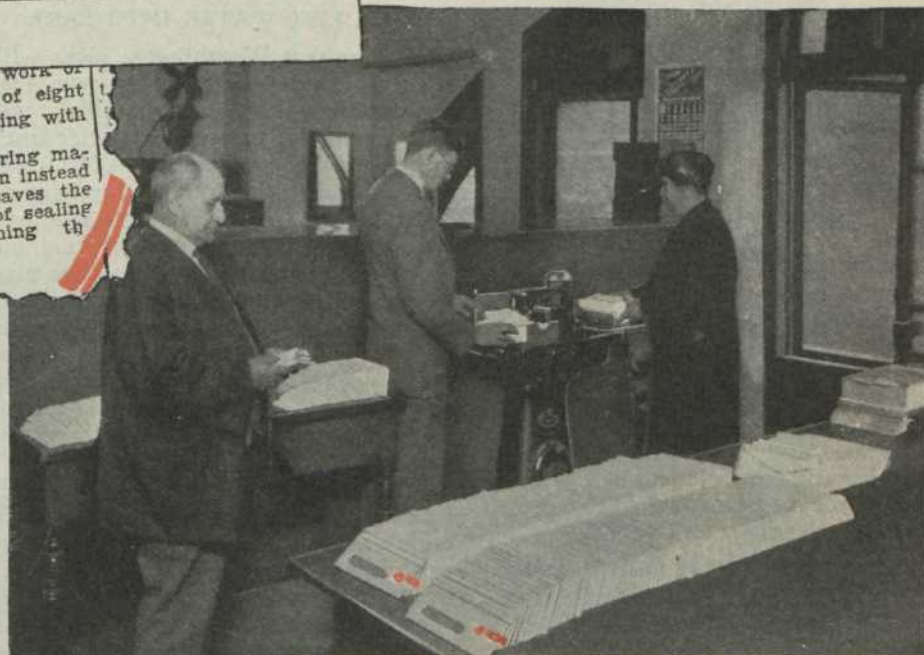
Sole Distributors of

Pitney-Bowes Mailing Equipment

Offices in Principal American Cities and foreign countries

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Despatching dividend checks with the aid of a Pitney-Bowes "Metered Mail" Machine. This device automatically feeds, separates, seals, imprints postage and postmark and stacks mail—all in one operation.



A few of the hundreds of corporations who send dividends by "Metered Mail"

American Tel. & Tel. Company
General Motors Corp.
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Goodyear Tire & Rubber Company
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Armour & Company
Southern California Edison Company
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E. I. du Pont de Nemours & Company
Bethlehem Steel Company
Pullman Company
Tennessee Electric Power Company

Fill in the Coupon Now!

Postage Meter Company
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Please send a list of users of "Metered Mail" and complete information regarding its advantages.

Name _____

Company _____

Address _____

Worthington Pumps give a lift -and a suburb springs up!



29,000 Acres Salvaged By Draining It Upside Down

WHEN Henry R. Worthington designed the first successful steam pump, back in 1845, he little realized that he would make possible the upside-down drainage of a tract of 29,000 acres in Greater New Orleans in the year 1927.

Pumps and suburban real estate development weren't thought of together in those days. Worthington was merely trying to invent a way to raise water by machinery, and in this he succeeded.

Today pumps are used in thousands of ways that never occurred to him, but perhaps no recent development in "water lifting" is more interesting than the building of a great suburb of New Orleans by draining it upside down.

THIS IS THE STORY

Few visitors to New Orleans realize that this interesting old city, and much of the land surrounding it, is lower in many parts than the surrounding waters. In the city of New Orleans itself every drop of rainfall (with the exception of the little that evaporates) has to be collected, chiefly in underground canals, and *pumped up* into the adjoining lakes and bayous, instead of *flowing down* into some stream or lake, as is the case in most American cities.

Adjoining the city is the Parish of Jefferson, with a frontage of ten miles on Lake Pontchartrain. Twenty-nine thousand acres of the land in this Parish is virtually swamp land. It is on an average about 12 inches above mean tide level but below the level of storm tides, which have made it utterly uninhabitable.

This year Jefferson Parish will become a residential suburb of New Orleans, matching in beauty and health the fine suburbs

of other great American cities, with a lake front development as valuable to New Orleans as are the water fronts of Chicago and Miami to those cities.

This is being accomplished by the construction of an embankment along the lake as a protection against storm tides, and the digging of a great system of canals and ditches—60 miles of them—to drain off the rainfall and lead it to four collection points.

WILL LIFT WATER INTO LAKE

It is here that Worthington gives a lift. At each of these four collection points is a great pumping plant, built by A. M. Lockett & Co., contracting engineers. Each plant is equipped with an 80-inch Worthington screw-type drainage pump, specially designed for the job and driven by a 330-horsepower Worthington Diesel Oil Engine of the most modern type. These four giant pumps will lift the water out of Jefferson Parish and into Lake Pontchartrain (a seven-foot lift) at the rate of 1,000,000 gallons per minute—when there is water to drain. Each pumping plant will be housed in a tile stucco-finished building appropriate to an attractive residential suburb.

This project is just another illustration of how the seemingly impossible can be accomplished when a great city visualizes a possibility and calls engineering talent and construction genius to its aid.

In 1845 it made no difference to Henry Worthington that water had never been lifted by steam before; today it makes no difference to Worthington whether any projects involving pumping or power have ever been solved before: it has a staff of engineers whose job it is to cooperate with industry and with municipalities to accomplish whatever is to be accomplished.

lessons of actual experience. The people have seen that the absence of muckraking and corporation baiting, the granting of relief from extreme taxation, the giving of fair scope to business, have been coincident with an era of unprecedented prosperity. They have learned that the way to promote the common welfare is not to pull the successful down but to try and pull every one up; not to take away from some but to add to all. They have observed that the mathematics of prosperity consists not of division but of multiplication.

And as the people have learned from experience, so has "big business." Time was, and not so very long ago, when the slogan of corporate management was "dignified silence." In the end, business learned that "dignified silence" and disregard of popular opinion won't do in a democracy. They learned that they must explain, that they must take the people into their confidence, that they must conduct a campaign of candid information.

This inventory of American material and spiritual strength, by as skilled a practitioner as Mr. Kahn, helps to give a new orientation. In the newer science of statistics, there is a tendency to examine the fluctuating curve of prosperity so minutely that the larger trend sometimes is forgotten.

IT IS FASHIONABLE to speak of business in the aggregate. As a matter of fact, there are always special industries which are advancing more rapidly than the average. In the last decade, the automotive trade has been the favored child of the economic gods. New pets unquestionably will develop in the next decade. Some will spring quickly from the experimental laboratories into the shops of the nation. What will they be? Those who successfully answer the question will become millionaires.

THE long-deferred quickened development of commercial aviation in the United States seems imminent. Nothing remains, according to Charles Lanier Lawrance, president of the Wright Aeronautical Corporation, but to go ahead and do the job. I discussed the future of aviation with Mr. Lawrance in his airplane motor factory at Paterson, N. J. "The trend is shown in our sales," he said. "Three years ago we sold 10 airplane motors for commercial purposes, two years ago 35, last year 105, and in 1927 we expect to sell between 200 and 250." Mr. Lawrance thinks that in the near future commercial flying will be confined mainly to the transportation of mail and express packages. Fast train service and the absence of custom frontiers make passenger flying less urgent in this country than in Europe, he said, and human beings are more expensive to carry than inanimate things. Ultimately, Mr. Lawrance foresees regular airplane passenger service between the Atlantic and Pacific coasts, and also individual flying for utilitarian and amusement purposes. According to Mr. Lawrance, commercial aviation is safe. The large number of accidents, he pointed out, occur in the military and naval service, where departures from regular routes are made. The return of inexperienced reserve officers to flying also heightens the number of accidents.

America is, of course, the cradle of the

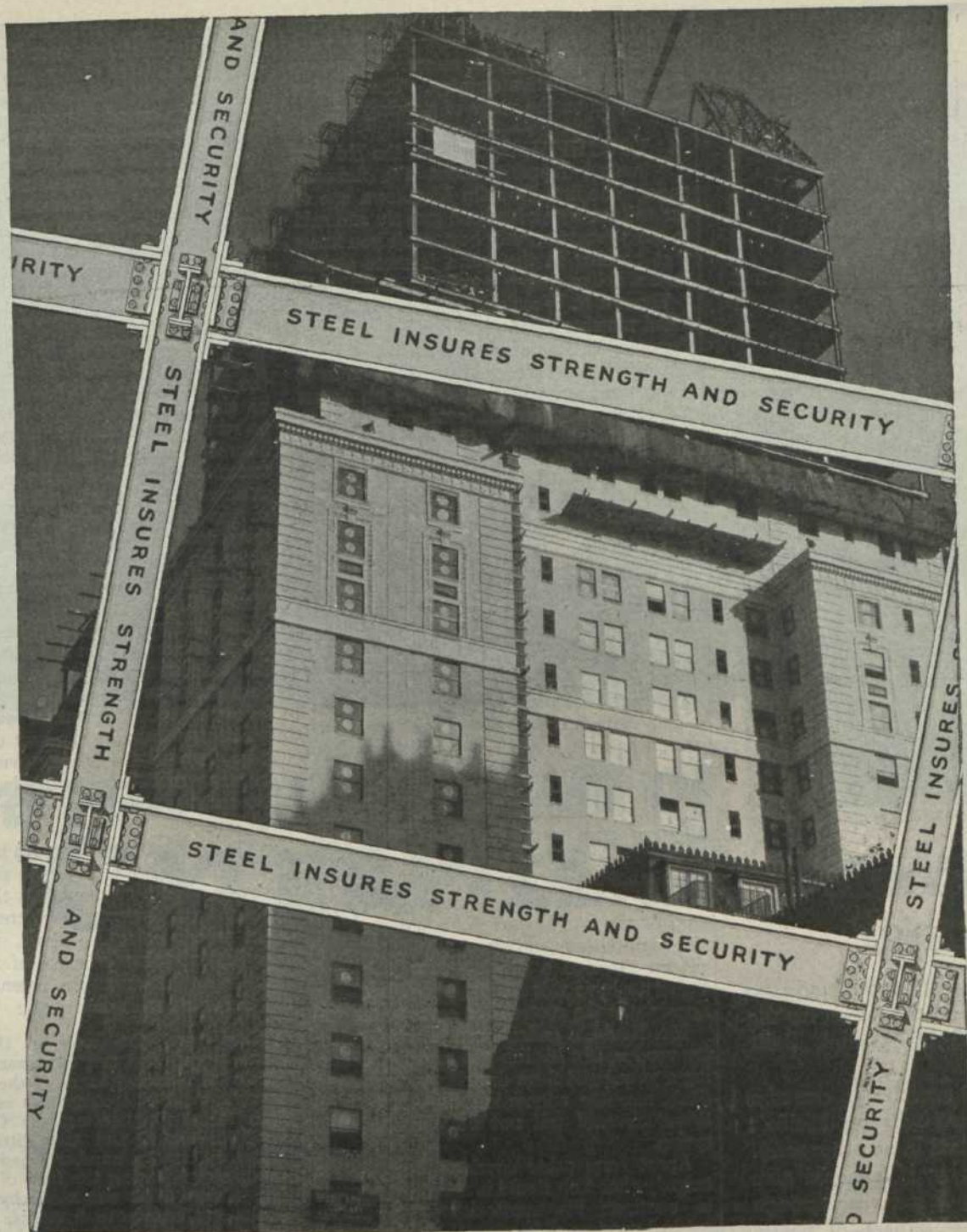
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FAILS." Before you decide upon the kind of building you are going to invest in, find out why it pays best to invest in a steel structure. Find out why steel is best for the residence or small building, best for the tallest structure. Write now for "STEEL NEVER FAILS."

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How come so strong?

THE structural strength stands the strain. That's the reason for the fine record held by Meilink Built Steel Safes.

Look at that torsion bar, one of a quartette of them built into Meilink frames (and found in no other safe).

Does it look as if it would give 'way? It won't! It can crash through floors, take the impact of heavy falling bodies and still remain square and tight and fully protect its contents.

There are 50,000 Meilink Built Steel Safes in use and only one known fire loss.

M. L. Link
SAFEOLOGIST

The Meilink Steel Safe Co.
Toledo, Ohio

Better Protection
MEILINK
BUILT SAFES

airplane, but during its boyhood the flying machine went abroad. Now that it is approaching maturity, it seems destined to return to its native country. The airplane industry is on the verge of growing up.

A YOUTHFUL reporter on the old *Sun* waxed flippant about the financial page. The late Franklin Matthews, one of the editors, shook his head gravely and said to the youngster, "My boy, don't you know that nothing in the world is more serious than a dollar, unless possibly two dollars?"

Thomas F. Woodlock, who is now a dignified member of the Interstate Commerce Commission, was once a young reporter on *The Wall Street Journal*, of which he later became managing editor. One of his chores was to answer inquiries from readers about investment securities. One question dealt with a fantastic promotion, whose demerits were apparently so plain that none could miss them.

Believing in those days that a little humor would help to liven up the dismal science, Mr. Woodlock satirically praised the worthless security. To his amazement, he found that one reader took him seriously and acted on a literal interpretation of the proffered advice. Since that day, Mr. Woodlock has belonged to the serious school of economic writers.

For the last eight years, Wall Street each season had for a single day a holiday from the restraints of somber writing. Under the auspices of the Bond Club, *The Bawl Street Journal* poked fun at the great and the near great in the world of high finance. The rules of libel, policy, and reticence were abandoned once a year, and Wall Street's merriest writers, under the leadership of the late Robert A. Bould, satirized the high-hatted gentlemen who sit in high places. It was a healthy thing for Wall Street to have this annual purgative. But apparently the custom has come to an end.

Mr. Bould, a gallant and talented security vendor, lost his life last summer in saving a young girl from drowning. The Bond Club recently announced that *The Bawl Street Journal* will not be published this spring.

Apart from other considerations, it is a tragedy that Bob Bould is no longer present to continue his meritorious and distinguished services of keeping Wall Street men from taking themselves too seriously. Debunking has lost a gifted exponent.

DOES democracy pay?

The test of the value of human freedom used to be less mercenary, but there is a new vogue to submit democratic dogmas to utilitarian criteria.

Benito Mussolini and the Fascist party believe that democracy is slow and bungling, and that a dictatorship affords a shorter cut to the steps which make for the realistic well-being of the people.

Germany has recently checked up the financial aspects of its new experiment in democracy and reports that there has been a cash saving. Whereas the Teutons used to be assessed \$10,000,000 annually to maintain the royal heads of state, the presidency this year is to cost only \$226,000. President von Hindenburg's nominal salary is \$15,000, but various allowances bring this

up to \$76,000. The former President, Fritz Ebert, Socialist and ex-saddle maker, drew only \$17,000 for salary and expenses.

Incidentally, self-determinism in the succession states of the former Austro-Hungarian Empire offsets the savings incident to getting rid of the royal house. A variety of independent governments, instead of a single imperial government, has raised the overhead. Each small district must maintain abroad its own ministers and ambassadors, not to speak of a large array of dignitaries at home.

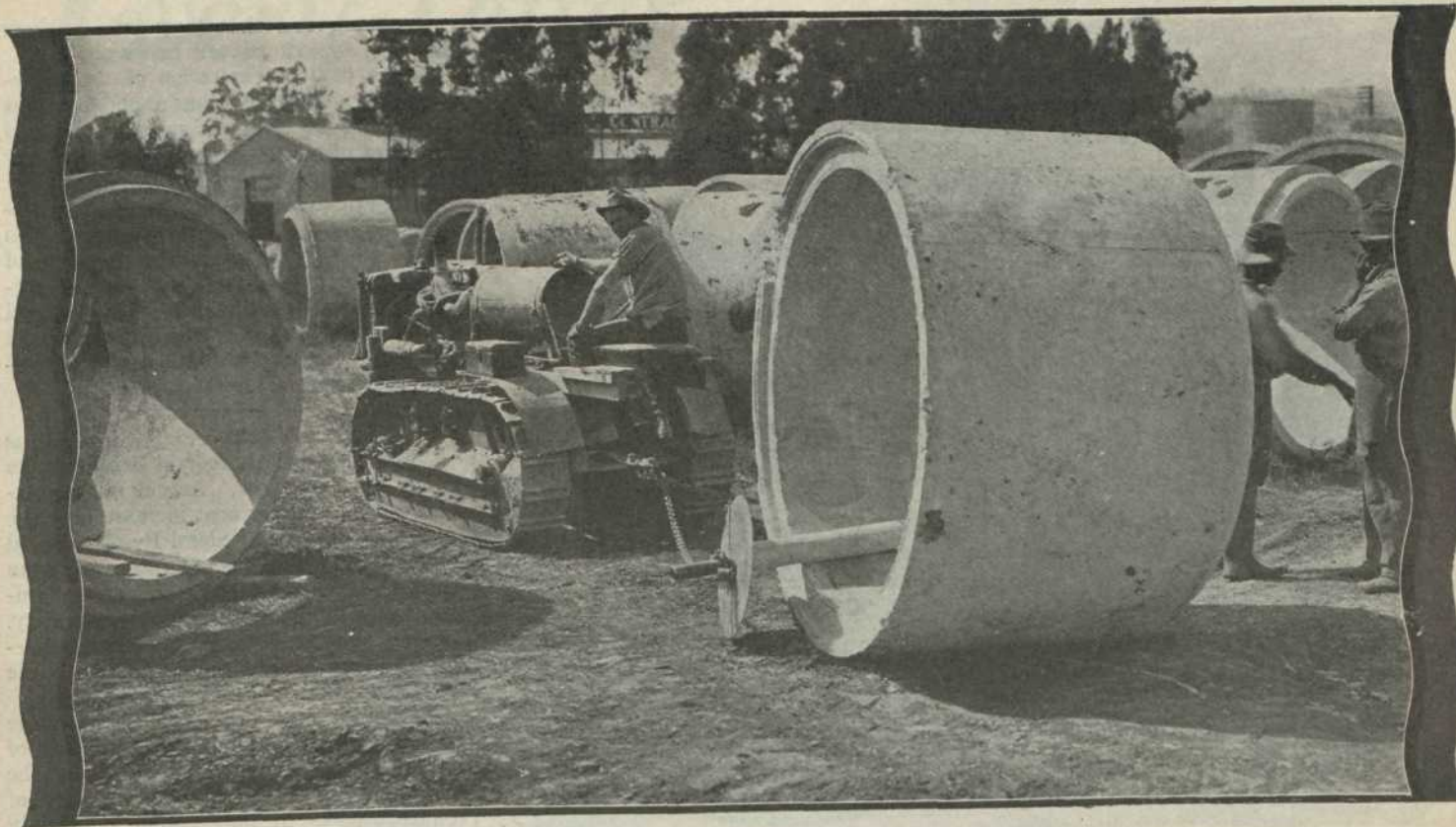
IN ANY discussion of the new understanding between capital and labor in the United States, the coal industry must be cited as a glaring exception. There is no real peace in that industry—only truces between conflicts. In the relationship between employer and employe, coal is internationally backward. Close on the heels of the British strike, a new breach is threatened on April 1 in the unionized American bituminous fields. The so-called Jacksonville wage agreement expires on March 31.

The contract assured higher wages than the market rate. As a result, the bulk of the business drifted in the last three years from union to non-union mines. Some of the conspicuous operators were none too punctilious to make the best of a bad bargain. Instead they threw over an irksome contract and hired capable lawyers to demonstrate that their conduct was within the law.

The logic of recent events indicates that the operators were unwise to sign the Jacksonville wage agreement, but those who departed from their contract created a situation which John L. Lewis, president of the United Mine Workers of America, exploited as follows at the recent convention of the union at Indianapolis:

Hard upon the heels of this situation comes unqualified and unwarranted repudiation of the binding terms of the wage agreement by such coal companies as the Bethlehem Mines Corporation, the Consolidation Coal Company, and the Pittsburgh Coal Company, with a number of additional coal companies following the lead of such a policy. Every effort was made by the officers of the organization to crystallize public opinion against the unmorality of the policy of repudiation of wage contracts. Government influences which were exercised to bring about the negotiation of the Jacksonville agreement failed to operate in any moral way to compel the recalcitrant operators to live up to the agreement which they had executed with apparent good faith. This situation constituted a rather sad commentary upon the state of public opinion in our land. Trade unionists from time immemorial have been lectured by statesmen, employers, economists and moralists upon the virtue of carrying out the obligations of industrial agreements when negotiated. The United Mine Workers of America in the thirty-seven years of its existence has never repudiated an agreement once entered into, and yet our organization sought in vain for a friendly public opinion to inflict moral chastisement upon great corporations who thus violated the basic and cardinal principle of industrial relations.

The employers, in justifying their position, pointed out that the Jacksonville rate



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MANY methods of handling these 7 ton sections of sewer pipe were tried before this ingenious way of *rolling* the huge weight was hit upon. ☞ "Caterpillar" Tractors supply the power.

There is scarcely an industrial plant that can't make profitable use of a "Caterpillar" — if some executive points the way.

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THIRTY . \$3000

Peoria or San Leandro

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Peoria or San Leandro

There's a "Caterpillar" Dealer near you

Better • Quicker
Cheaper

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EVERY ROOF NEEDS INSULATION



Cork Insulation Protects the Top Floor from Winter's Cold and Summer's Heat

TOP floors, as a rule, are very uncomfortable—cold in winter and hot in summer. And the cause of it is the roof. Through its large exposed area the building heat escapes or the sun's heat is radiated into the rooms below. The remedy is insulation.

The Fine Arts Building, Grand Rapids, Mich., is used for the exhibition of furniture. The roof is insulated with Armstrong's Corkboard, and winter or summer, its top story is just as comfortable as the lower floors.

During the winter of 1925-26, one third less steam, in proportion to cubical contents, was required to heat this building than for a similar building in the same vicinity the roof of which was not corkboard insulated. Last summer's furniture market was held during the hottest days of the season, yet the top floor was as comfortable as any of the floors below. Without the corkboard on the roof it would have been unbearable.

Temperature troubles on your top floors can be similarly corrected. Full information will be gladly furnished on request to

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(Division of Armstrong Cork Company)

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Armstrong Cork Company, Ltd., Sardinia House, Kingsway,
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was ruinous, and that their own workers consented to a downward revision.

As the date of expiration of the agreement arrives, the union has announced that there must be "no backward step," and operators of union mines insist that they cannot continue the present wage scales.

With apparently 70 per cent of the bituminous production now in the non-union mines and with the accumulated supply of soft coal large, industry would not be radically affected by a strike in the soft coal mines. And yet in a civilized industrial community the prospect of another industrial conflict is far from pleasant.

BANK FAILURES in the prosperous year 1926 were larger in number than in any previous year. Actual failures exceeded 600, a 30 per cent increase over the previous year. The Federal Reserve Board in its monthly bulletins recorded more than 900 casualties, including temporary suspensions which did not entail insolvency. Apart from the Georgia and Florida suspensions, which were an aftermath of the land boom, the troubles centered in Iowa.

The cause may be traced back to the land and agricultural product deflation of 1920 and 1921, but the real reason for the more recent failures was the inability of country banks in that region sufficiently to recover earning power to take care of earlier losses. In this period there has been a drift of deposits from small banks to those in large communities, which in turn sent funds to the great cities. The time-honored unit banking system has appeared in bad light. The American system is not really unit banking, but correspondent banking. The correspondent banking system makes it easy and natural for funds to flow to the great money centers, but difficult to flow back. On the other hand, countrywide branch banking, such as prevails in England and Canada, is organized to facilitate a return flow of funds to local communities to meet critical situations.

The failure of country banks in districts which rely on a single crop is the price which is paid for independent banking. In industry, big business has meant heightened efficiency, and the whole country has participated in the benefits. The development of banking, however, has been hedged in by artificial regulation. State and sometimes town lines have kept out foreign interests. Each community has claimed as its inalienable right complete autonomy in the manufacture and distribution of credit.

THE MAIN burden of the work of Wall Street is no longer borne by outstanding individuals but by cooperating groups. Accordingly, the era of individual fame is passing. No one in the present generation of bankers precisely fills the rôle of the late J. Pierpont Morgan. The tasks of the Street have become too complex and far-reaching to rest on individuals.

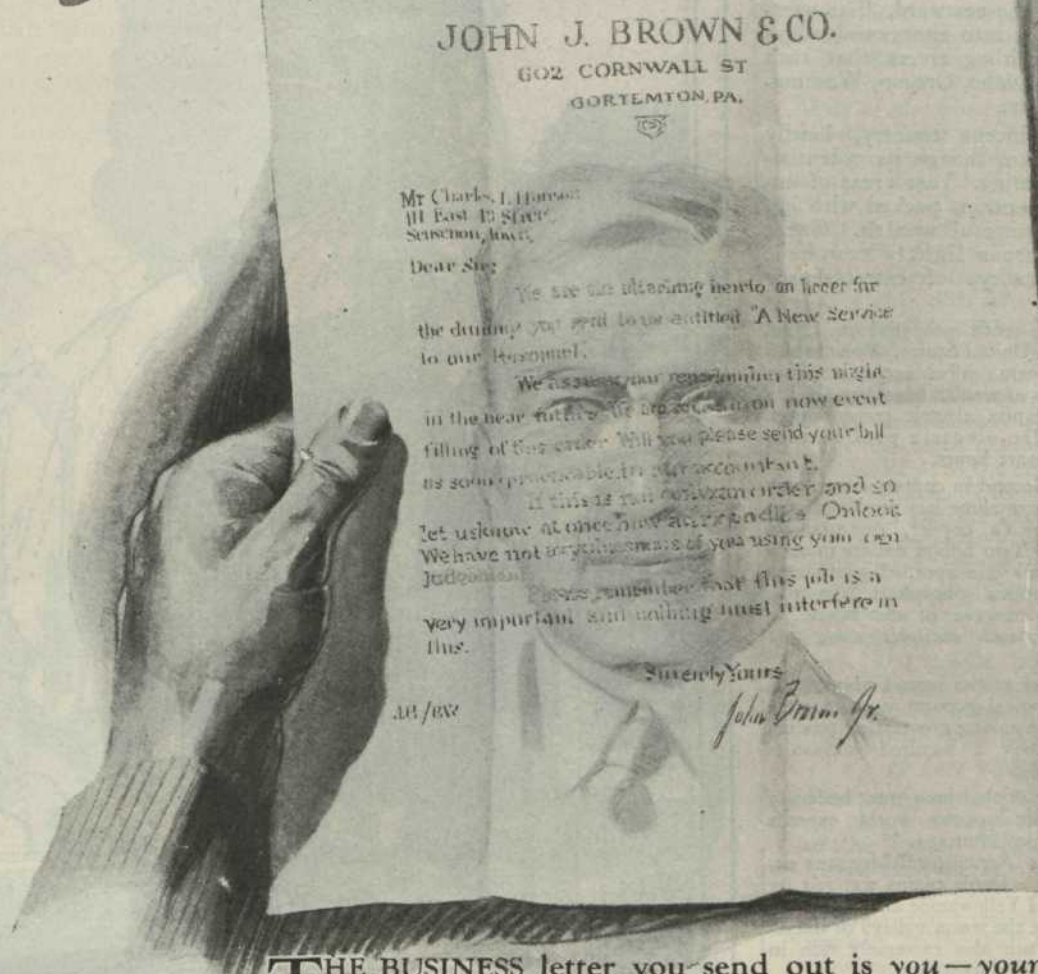
Recently a class of twenty-one alert young students in financial journalism at Columbia University was asked by their instructor to identify a list of Wall Street figures. The men whose names were included were: Lewis E. Pierson, John McHugh, Charles E. Mitchell, Francis H. Sis-



Two Books on Roof Insulation—Free

If sweating ceilings are a problem in your plant, ask for "The Insulation of Roofs to Prevent Condensation." Otherwise ask for "The Insulation of Roofs with Armstrong's Corkboard."

Every Letter Carries Your Portrait



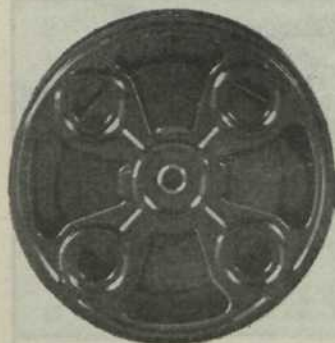
PANAMA SERVICE

To provide a ribbon that will produce for you the quality of work—plus economies—we ourselves would demand were your problem our problem.

THE BUSINESS letter you send out is you—your name's on it, your personality is in it. What impression of you does it create in the mind of the man who receives it?

Panama Bronze Typewriter Ribbons

MANIFOLD SUPPLIES COMPANY
190 Third Avenue, Brooklyn, N. Y.
Manufacturers Since 1896



THE LINE THAT CAN'T BE MATCHED

When writing to MANIFOLD SUPPLIES COMPANY please mention Nation's Business

Mountains of precious minerals . . . Power of

THE giant buttresses of the Continental Divide form the western bulk of Montana. A dazzling mass of enormous mountains, capped with glaciers, blanketed with primeval forests, with torrents of blue water rushing down their slopes and out upon the vast sweep of open plain to the eastward. The western slopes open into enormous valleys scoured by swirling rivers that rush away through Idaho, Oregon, Washington to the Pacific.

Raw, magnificent country, hardly touched by man, though its potentialities are staggering. Vast areas of unprospected mountains packed with immeasurable mineral wealth. Great timber resources lightly touched. Warm rich valleys of extraordinary beauty.

POWER: One-tenth potential minimum water-power of United States. Volume sufficient to submerge all Montana's plains under six inches of water. Montana already leads in per capita electric consumption. Monthly hydro-electric production, 82,000,000 kilowatt hours.

MINERALS: Second in copper, silver, zinc production. Butte alone has produced one-third of America's copper, one-sixth of world's supply. Two billion dollars mineral wealth from this one spot. Big iron resources. Enormous phosphate deposits. Largest known reserve of manganese in America. Estimated available coal, 381 billion tons!

GAS, OIL: One of the largest natural gas reserves. Geological reports now indicate Montana will be among greatest oil-producing centers. Over a hundred companies already operating.

TIMBER: One of the three great bodies of soft timber left in the world extends through Idaho into Montana.

AGRICULTURE: Agricultural Montana occupies chiefly the fertile plains watered by the Missouri and Yellowstone and numerous tributaries. But the warm valleys of industrial Montana are also extremely rich in diversified crops and livestock.

On top of the world

More great national parks are embraced in this mountainland of romance and adventure than anywhere else in the country. It forms the shoulders of the Nation with hands stretched east and west. Its great resources, converted by cheap power into commercial products, are finding rapidly expanding markets on the Pacific. As the Appalachian Mountains dominate the Atlantic Region with their great resources of coal, iron and water-power, so this colossal mountain region is destined to dominate the Nation.

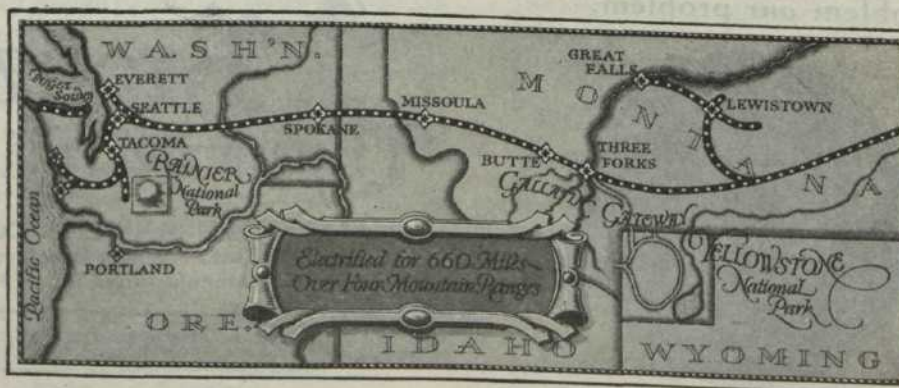
Life is at its best in Montana. Its wine-sparkling climate has reduced the human death rate to one of the lowest on record. It is a big and wholesome country where wild game, mountain trout, indescribable natural beauty add much to the joy of daily existence. It is a land, too, of startling contrasts, where beautiful modern cities are rising rapidly.

One of the proudest boasts of a man of the Northwest is that he is a Montanan!



SHORTEST AND MOST MODERN
ROUTE TO THE
PACIFIC AND FAR EAST

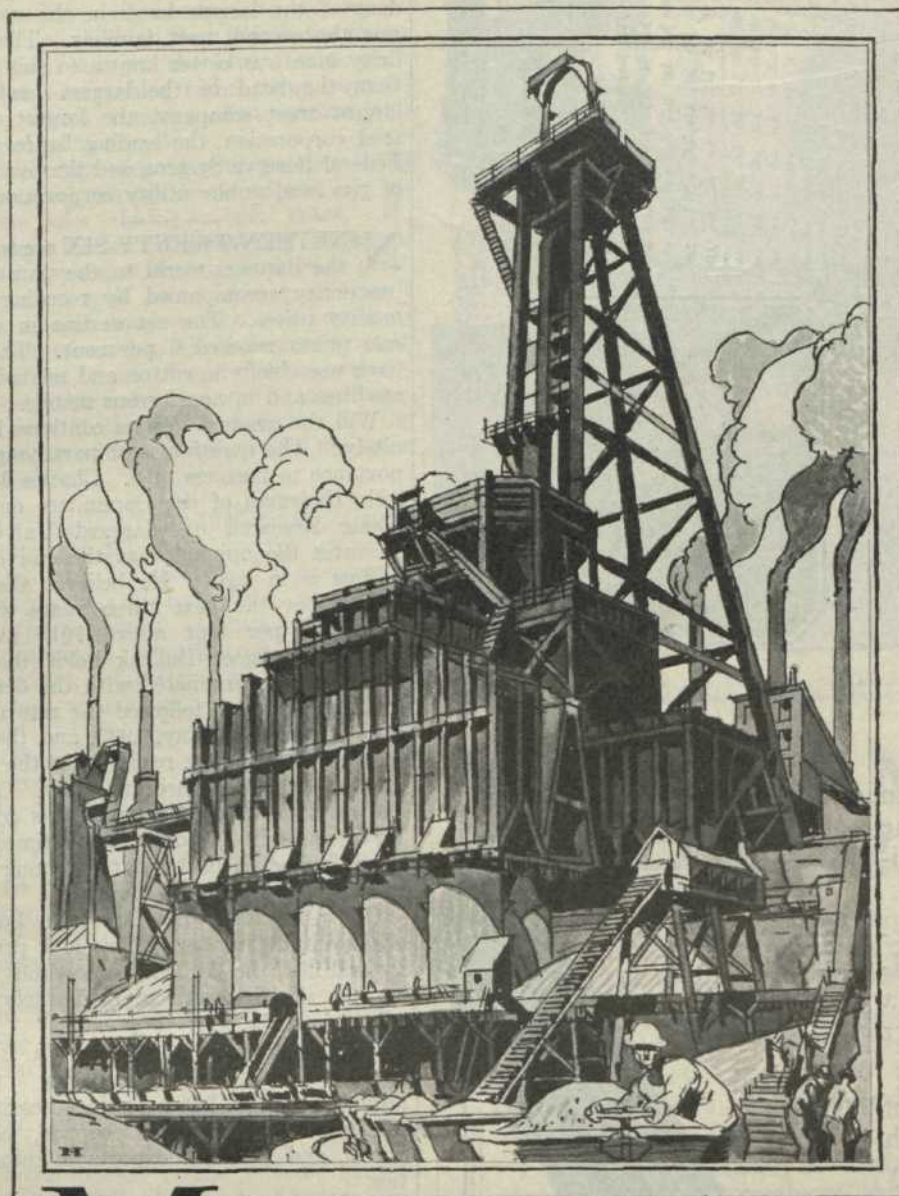
The



The recognized route between Chicago, Milwaukee and Twin Cities,

When writing to CHICAGO, MILWAUKEE AND

great rivers . . . Richness of plains . . . Montana!



*Water-power harnessed
to the rails*

ONE of the most notable advances ever made in transcontinental travel was the electrification for 660 miles of the vast Chicago, Milwaukee & St. Paul system. Electrification extends from Harlowton in Montana across four mountain ranges—the Belt, Bitter Root, Rockies and Cascades—to shipside on Puget Sound. Most of the power is drawn from the Missouri River at Great Falls.

Utilization of this force by The Milwaukee Road is typical of its modern character. Also typical is the equipment of passenger cars with roller bearings—the first railway in America to adopt this revolutionary improvement.

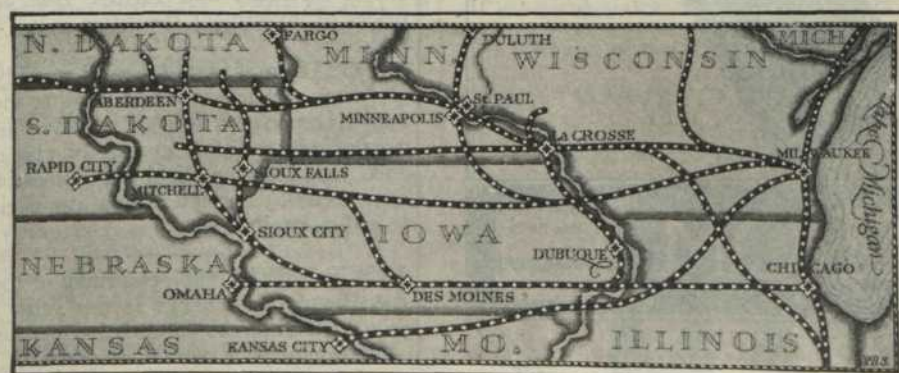
Not only does The Milwaukee Road penetrate the mountains and valleys of industrial Montana, its vast system also forms a network over one-fourth the Nation. From Chicago to Kansas City, Omaha and Sioux City; to Milwaukee, Upper Michigan Peninsula, Minneapolis and St. Paul; to the Black Hills; to Spokane, Seattle, Tacoma, the Olympic Peninsula and the Pacific Ocean.

This great artery, 11,000 miles long, employing 60,000 people, brings life and energy to the great body of all the Northwest. Machinery, tools, manufactured products, pure-bred stock, high-grade seeds, and people, pour in an endless stream along its tracks. Raw materials come pulsing back to the great industrial centers both east and west.

When you go West

This year saw imports from Asia gaining over imports from any other part of the world. When you go to the Coast, take the famous *Olympian* over the shortest route to the sea where America comes closest to the unlimited markets of the Far East. Study this significant trend at first hand while passing in greatest comfort through one of the most beautiful regions on earth.

MILWAUKEE ROAD



Kansas City, Omaha, Des Moines, Sioux City, Butte, Spokane, Seattle, Tacoma



Room 884, Chicago, Milwaukee & St. Paul Railway
Union Station, Chicago, Ill.

Make a check before the region that interests you. We have the closest co-operation with Chambers of Commerce and other business organizations who will supply you with detailed information.

- | | |
|---|---|
| <input type="checkbox"/> Puget Sound | <input type="checkbox"/> Eastern Dakotas |
| <input type="checkbox"/> Inland Empire | <input type="checkbox"/> Omaha—The Western Gate |
| <input type="checkbox"/> Industrial Montana | <input type="checkbox"/> Minneapolis-St. Paul |
| <input type="checkbox"/> Kansas City | <input type="checkbox"/> Wisconsin |
| <input type="checkbox"/> Agricultural Montana | <input type="checkbox"/> Iowa |
| <input type="checkbox"/> Upper Missouri R. Valley | |

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MONUMENTS of the AGES



*The
Parthenon and
Beth Israel Hospital*



BETH ISRAEL HOSPITAL
New York City

ARCHITECTS

Louis Allen Abramson
New York City

CONTRACTORS

G. Richard Davis & Co.
New York City



METAL DOORS, FRAMES
AND TRIM
COMPLETE ELEVATOR
INCLOSURES
ADJUSTABLE PARTITIONS
CONDUO-BASE

FOR the coming generations this, the tallest hospital building in the world, must stand like the Parthenon as a triumph of architecture.

In both, the ideals of the architect and the skill of the builders were combined to achieve a monument to contemporary art and science.

The safety and convenience of the patients and staff of Beth Israel Hospital are served by Dahlstrom Elevator Inclosures.

DAHLSTROM METALLIC DOOR
COMPANY
INCORPORATED 1904
JAMESTOWN, NEW YORK

*"Fire-turning metal in place of fire-burning
wood for all doors and interior finish."*

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NEW YORK
475 Fifth Avenue
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son, James A. Farrell, Eugene G. Grace, M. S. Sloan, Frank Hedley, Ivy L. Lee, and Benjamin Strong. Ivy L. Lee, publicity man to the Rockefellers, the Pennsylvania Railroad and other interests, proved the best known, and Charles E. Mitchell, president of the largest bank in the country, was the second most familiar. The publicity man was better known to this group than the head of the largest bank, the largest trust company, the largest industrial corporation, the leading figure in the Federal Reserve System, and the presidents of two local public utility corporations.

NINETEEN-TWENTY-SIX accustomed the business world to the paradox of prosperity accompanied by receding commodity prices. The net decline in wholesale prices reached 6 per cent. The setback was chiefly in cotton and related commodities and in non-ferrous metals.

Will the gradual decline continue indefinitely? The question is of paramount importance to business men. Charles J. Bullock, chairman of the Committee on Economic Research of Harvard University, ventures the opinion that the end of the decline is in sight. He believes that the normal for the next three years will be about 50 per cent above 1913 average prices. Professor Bullock holds that the recent decline originated with the deflation in England which followed the return to a gold standard in May, 1925, and the subsequent hard money reactions in the latter part of 1926 in France and Italy. On the theory that deflation overseas has gone as far as it is likely to for some time, Professor Bullock believes that a turning point in commodity prices is near.

Oddly enough, while American business observers are wondering how long prosperity will last, the British are hopefully looking for the first sign of moderately good times since the war.

The whole trend of affairs in Europe suggests expanding purchasing power abroad, and this has a distinct bearing on prospects for American copper, cotton, grains, and all other exportable commodities.

ALTHOUGH in the coming years America may lose part of its huge gold hoards, the movement of the precious metal across the Atlantic Ocean is still westbound. In January imports were heavier than in any single month since 1921. Gold imports tend to stimulate credit easement and further rises in the prices of investment securities.

WITH the wages of capital steadily falling, the investor is becoming increasingly receptive to foreign issues. There is a growing tendency to narrow the difference between the yield on domestic and alien issues. Foreign bonds are beginning to sell ex-prejudice.

LEWIS E. PIERSON, chairman of the new American Exchange Irving Trust Company, which is the culmination of the consolidation over a period of years of fifty-three independent banks, told me that increased size gives a banking institution an opportunity to take care of the credit needs

of huge business enterprises. I asked him whether it was desirable for a large borrower to have only one banking connection. He did not think so, but felt that such an institution can get the best results from three or four banks, rather than from 20 banks, which result in lost motion and duplication of efforts.

Mr. Pierson sees signs of growing thrift in mounting savings accounts and life insurance sales during recent years. He said that the recent growth in insurance was an important factor in national prosperity as it took care of the most urgent obligations of business men and left them in a state of mind in which they were ready and willing to take larger business risks—to show more enterprise and venturesomeness than if they were deterred by the thought that their families had not been provided for.

THE INDICATED 1927 brand of prosperity is favorable to the railroads. Large volume, irrespective of the margin of profit, means full use of the capacity of the carriers, which are little affected by the disposition of industrial corporations to heighten competition in order to keep their own volume up.

MOVIE-GOING is not as firmly entrenched a habit as smoking. I recently discussed this question with Adolph Zukor, president of the Famous Players Lasky Corporation, who said that motion picture companies are the first to feel depression. On the other hand, tobacco sales remain fairly constant through all phases of the business cycle. Five-and-ten-cent stores, cheap shoe companies, public utilities, railroads (to a limited extent only) and gold-mining companies are not dependent on general prosperity for good business.

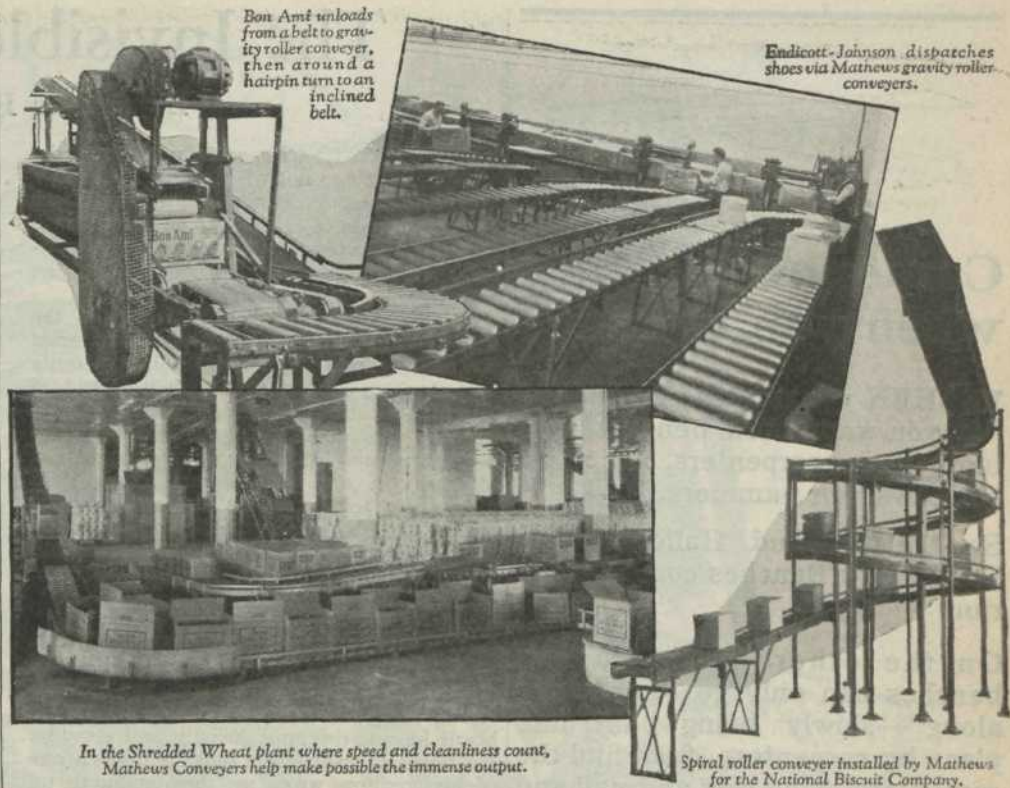
THE CONVERSATIONS of the State Department with Nicaragua and Mexico have focused public interest anew in Latin America. Victor M. Cutter, president of the United Fruit Company, who entered the employ of the company twenty years ago as a timekeeper in a plantation in Costa Rica after having been graduated from Dartmouth College, in discussing our neighbors to the south with me, said: "In the next ten years, Latin America will make greater progress than in the previous one hundred and fifty years. Latin America will be opened up by the automobile in connection with new programs of road building."

How Do They Get In?

"SOME of the best things said in Congress are never heard in the galleries," observes Senator Willis of Ohio.

"When Senator Watson was arguing the other day that the Senate had no right to refuse to allow Senator-Designate Frank L. Smith of Illinois to take the oath as long as he met the constitutional qualifications as to age, length of residence and so on, he was interrupted and the question was asked whether the Senate would have to admit an imbecile if he were appointed. Senator Watson replied that, of course, an imbecile would not be permitted, because he could not take the oath.

"How do they get in here, then?" asked Senator Caraway of Arkansas, who was sitting next to me."



In the Shredded Wheat plant where speed and cleanliness count, Mathews Conveyers help make possible the immense output.

Spiral roller conveyor installed by Mathews for the National Biscuit Company.

Big Firms Use Mathews Conveyers in Packing and Shipping

CUTTING costs in production and speeding up the processes have been the themes emphasized in most of our advertisements.

But Mathews Conveyer Systems have found one of their largest and most useful fields of application in the handling of manufactured goods through the packing and shipping departments.

Leading manufacturers in widely varied lines—metal, textile, food products, shoes, etc.—have found Mathews Conveyer Systems positively indispensable in the packaging, crating, and shipping operations.

The same organization that has served these other big manufacturers so well is ready to serve you. Whatever your conveyer need in the field of gravity roller, metal chute, belt, pallet, automatic elevator, etc., get in touch with Mathews.

Write, wire or phone our nearest office.

MATHEWS CONVEYER COMPANY 148 Tenth Street, Ellwood City, Pa.

New York, Boston, Philadelphia, Buffalo, Pittsburgh, Cleveland, Detroit, Chicago, Atlanta, Anderson, S. C., New Orleans, Milwaukee, Minneapolis, St. Louis, Omaha, Denver, Salt Lake City, Los Angeles, San Francisco, Seattle.

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Fisk Rubber Company
Continental Motors Corporation
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National Lamp Works
Republic Iron & Steel Company
National Tube Company
Carnegie Steel Company
National Biscuit Company
Wm. Wrigley, Jr. Company
Western Electric Company
Swift & Company
Larkin Company
Great Atlantic & Pacific Tea Co.
Armour & Company
Prest-O-Lite Company, Inc.
Youngstown Sheet & Tube Co.
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Texas Company
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Firestone Tire & Rubber Company
Packard Motor Car Company
American Fruit Growers, Inc.
New Departure Mfg. Co.
Kelly Springfield Tire Co.
Beacon Falls Rubber Shoe Co.
Hammermill Paper Company

MATHEWS Conveyer Systems

Increase Plant Profits

When writing to MATHEWS CONVEYER COMPANY please mention Nation's Business

The Invisible Partner

By Arthur H. Little

**Comes on the run!
when you want it!**

WHEN you want work benches, you want work benches—not lumber, nor carpenters, nor nails, nor saws, nor hammers.

Say the word, and "Hallowell" All-Steel Work Benches come on the run!

On the other hand, wooden benches can only go "lumbering along"—slowly being built into place by carpenters (first, find the carpenters!) who saw and nail and hammer expensively while you wait for benches.

"Hallowell" all-steel benches and tables are ready when you want them—in any quantity, in ample range of sizes—pick them up from stock, drop them on your floors and production can start! No fuss, no muss; no piecemeal carpentering; no sawing and hammering; no days wasted in assembling materials and men!

"Hallowell" all-steel equipment is of standardized, scientific construction. Each part combines maximum strength with interchangeability, so it is merely a matter of bolting the parts together, a job anybody can do; hardly any labor, no mess, no waste.



Moreover, "Hallowell" work-benches and tables are made in standard lengths and can be set up by sections, to make any necessary length, instantly removable, without loss.

"Hallowell" all-steel tool stands or shop dollies (equipped with casters) are also most convenient. They speed up work on jobs where it is more convenient to take the bench and tools to the job, than to move the job to the bench.

"Hallowell" all-steel equipment is described in our new folders. The executive who wants such efficiency as will let him hang out a "Visitors Welcome" sign will enjoy the full "Hallowell" story of money saved and the fire hazard averted. For these illustrated circulars, and the advice and help of our executives (for we of course have the same administrative problems as confront you), kindly address our Service Extension Department.

Standard Pressed Steel Co.
Box 20 Jenkintown, Penna.

"NO," SAID the sales manager, "the fault was not wholly hers. Fact is, I suspect he lied to her, a little, about the possibilities of the job. You know how a fellow is. Perhaps she was a little bit skeptical. Wives often are. To convince her, he may have exaggerated."

"And then, when the pot of gold at the foot of the rainbow didn't materialize; when the commissions didn't come rolling in quite as fast as it seemed to her they should, it may be that she quizzed him. And he, thinking she was questioning his ability, probably flared up. And that was the beginning."

"Once, in one of his rare, confidential moods, he told me that she was nagging him. 'But,' he said, evidently trying to do her justice, 'she didn't use to nag—not until I took this job.'"

One Domestic Tragedy

"IN TWO years they had separated. Both, I take it, were thoroughly miserable. Of course, his work suffered; and, yes, he suffered, too. He grew thin and jumpy. I heard he was drinking, heavily and steadily. He began to neglect his bills; and when one of his creditors wrote us, threatening to tie up his income, I had to call him on the carpet. What I wanted to do was to talk with him, kindly, and see if, together, we couldn't work out a solution for him. But he boiled into a rage, told me in almost so many words that his personal affairs were none of the company's business—and stamped out of my office."

"Then divorce. She tied him up for alimony, which he refused to pay. In a couple of months he was arrested; and the court, when he grew defiant and insolent, threw him into a cell."

"In spite of that, I stood by him. I'd always liked him. And so I fought off the president and the general manager—they both wanted me to fire him—and I went down in my pocket and loaned him the money to square himself with the court and get out of jail."

"But he'd started down-grade. His grip was gone. He'd lost his old-time zest and buoyancy and he's acquired a bitterness and a grudge against the world. He disobeyed orders. He began pulling off shady, private deals with customers; and when I caught him in one of those deals and confronted him with the evidence, he defied me—and I fired him."

"That was three years ago. Today he's a bum. His former wife? She's dead."

And that's just one story out of many. Out of a half-dozen little dramas just like it that have come under my observation in the past ten years or so, I have selected the least dramatic, the least tragic. Not all the five others found their way into the courts. But one of them ended in a suicide.

Stories like these suggest the reason why business enterprises—some of them haltingly, for fear of seeming impertinent and paternalistic—are interesting themselves in the private lives of their men.

Last summer I witnessed a sort of clinical experiment in psychology. I attended a convention of the salesmen of a certain nationwide corporation. Mostly, the convention program consisted of "dramatic presentations"—cut-and-dried demonstrations of various of the corporation's products. All highly technical, those "presentations" were, all fairly heavy, all most scrupulously devoid of emotion.

Sandwiched into the program, however, at a place close to the end, was one three-act drama. It was different. Its author, a writing man drafted into service as a playwright, had said to the sales-department executives:

"Let's do something that you haven't done in your convention programs before. Let's approach our theme from the standpoint of the salesman's home life. Let's plant our drama—or most of it—right in his home."

The sales chiefs looked doubtful. Possibly the idea didn't sound austere enough to be businesslike.

"Well, anyway," the writing man suggested "let me put something on paper and show it to you men and see what you think of it."

He wrote a three-act play—wrote it according to good dramatic principles. Of course, there must be a business moral; but the moral he wove so carefully into the warp and woof of his plot that it became an inseparable part of the whole. And his story, rising to an emotional climax that came at the very end, was a story that had to do with the ties that bound a man's heart to what he held dearest, his wife and his child.

Still a bit doubtful, the sales executives approved the script; and, with special scenery, the play went into rehearsal.

Then came the day of the performance. On a stage splendidly equipped and at a "spot" on the program just ahead of the sales manager's closing address, those three acts of fireside drama unfolded themselves before two or three hundred highly business-like salesmen.

How would they receive it? Would they get its message? The playwright wondered.

A Dramatic Lesson

LATER, after the closing curtain, the playwright found out. He watched those salesmen file out of the company theater into the corridor. Many of them were blinking honest tears.

"Say," said one of them, recognizing the author and cornering him, "that wasn't fair. Some of us, you know, are a long way from home—away from our wives and kids. And we sat there and each of us thought, 'Gosh, suppose that'd happen in my family!'"

Even the skeptics among the sales executives were convinced.

"Yes," said one of them, who is a special representative of the sales manager and is constantly on the road, "the idea was right. You got to those fellows' hearts. Whether we recognize it or not, the biggest factor affecting a man's work is a hidden one—his home life. Time after time I encounter the situation in which a man's domestic affairs are ruining him. And from our point of view, the condition never comes to light until it's too late."

Too late? From the management's point of view, is there any remedy?

I rather doubt that many business enterprises will establish bureaus of domestic relations. Management will shrink from saying to the production manager, or the auditor, or the chief engineer:

"Now look here! You gotta get on better terms with your wife—or get another wife—or another job."

I rather doubt if the time will come soon when the boss, cross-examining a foundering subordinate, will say to him:

"Your wife nags you, eh? Well, beat 'er!"

But if there is no cure, is there, perhaps, a preventive? "There is," said my friend

The BILLIONAREA

~ the Greater St. Louis Market



For low selling costs, select concentrated markets

Where People Crowd to spend their money!

THE big sales problem for 1927 is more than mere volume—it is volume at low cost.

Two big factors will engage the sales manager's attention for 1927: (1) The more accurate selection of economically covered markets in which to drive for business; (2) The greater use of that reliable producer of low-cost sales volume—metropolitan newspaper advertising.

Concentrated markets where people and buying power are crowded into a concentrated area, offer obvious opportunities for volume sales at low cost. The great billion-dollar metropolitan markets prove especially profitable because they are so accessible to effective and economical coverage by both salesmen and newspaper advertising.

Markets which consist largely of scattered and relatively inaccessible areas, with low average buying power, are much less interesting because of the high cost in money, effort and time required to obtain volume sales.

The Billionarea, the Greater St. Louis Market, stands next to the top of all metropolitan volume markets in conditions most favorable for volume sales at low cost.

The Billionarea contains 145 times more people per square mile

than the small town and rural communities outside the con-

centrated area. Average family purchasing power is three and one-half times greater within The Billionarea than outside of it. The Billionarea's million population is far more accessible to salesmen than any million people in rural and small town markets. And most important, the purchasing power of The Billionarea also is made "accessible" by the remarkable circulation coverage of the St. Louis Post-Dispatch.

The St. Louis Post-Dispatch reaches practically every home of purchasing consequence in the entire Billionarea—30,000 more families daily, 80,000 more Sunday, than any other newspaper. The families within The Billionarea, reached by the Post-Dispatch earn and spend more than a billion dollars each year.

With a market so large, so rich, so concentrated—with a circulation coverage so complete and effective—the St. Louis Post-Dispatch offers an outstanding

Opportunity to Advertisers for big volume at low cost

The proof of this opportunity is evidenced by the fact that, each year for five successive years more advertising, local, national and classified combined, has been placed in the Post-Dispatch than in the second and third St. Louis newspapers added together.

ST. LOUIS POST-DISPATCH

The highest ranking P+D+C newspaper of The BILLIONAREA—the Greater St. Louis Market

NEW YORK 285 Madison Ave.	CHICAGO Tribune Tower	DETROIT General Motors Bldg.	KANSAS CITY Coca Cola Bldg.	SAN FRANCISCO 564 Market St.	LOS ANGELES Title Insurance Bldg.	SEATTLE Union Record Bldg.
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Handling Peak Loads

At the beginning of the year bank forces are under pressure because of the greatly increased number of transactions to be handled. For this Company the increase in coupon collections alone at that time is approximately 300%. There are also lesser peaks on certain days of the month and at the beginning of each quarter.

American Exchange Irving Trust Company takes care of these peak loads through part time forces. Experienced workers, whose services are then available by special arrangement, put these additional items through with speed and accuracy.

Thus, even during peak loads this Company maintains its high standard of service for customers.

OUT-OF-TOWN OFFICE

**AMERICAN EXCHANGE
IRVING TRUST COMPANY**

Woolworth Building, New York

the industrial psychologist. "At least there is, in part."

This industrial psychologist is on the staff of a big manufacturing concern. He used to be attached to a great university, where he specialized in research into the vast reaches of applied psychology; and his present employers plucked him from the university and assigned him to the job of finding out, for them, how to select and train men.

Influence of Home Life

"DOMESTIC relations," he said, by way of laying his groundwork, "is a dog-goned delicate matter. A man's home is his castle. His home life, he believes as implicitly as he believes anything, is his own personal affair; and you can't blame him a bit for feeling that way about it.

"And yet our studies have convinced us that, although a man truly believes that he is living two separate lives—one at home and the other on the job—yet the two merge. Each influences the other. And it is in the influence of his home life upon his work-a-day life that we are interested.

"The influence is twofold. First, the condition of his home life—whether he is happy or unhappy—affects his capacity to produce. Second, it affects his stability; and this secondary effect is reflected in our turnover.

"Obviously, the extent to which a man's producing capacity is influenced by the home-life factor is something that we can't measure. But we can measure turnover; and we can tabulate and analyze its causes. On this score, I could show you some impressive evidence in our records. You see, I operate a card file—a card for every man that leaves our employ. And on card after card, on the line for 'Cause for Leaving,' you'll find this entry: 'Domestic trouble.'

"How many more potential cases there are in the organization, how many more cards like that are yet to be made out for men in our employ right now—that's something we don't know; and even if we did know and could single out those cases, I don't see what we could do about them.

"But here's what we can do: We can check some of the future cases, perhaps, before they come into our employ. We can be more intelligent and more careful in our method of employment. And that's exactly what we are doing.

Choosing an Ideal Type

"IN COMMON with other companies, we are studying, deeply, this matter of selecting men. We are studying the personal histories and the producing records of men already in our employ—successful men, you know. And from the facts, the averages, that we gather from these studies we are setting up certain standards.

"For instance, the sales department. There we're working toward an ideal type—ideal as to age, schooling, past experience, temperament and so on. We interview an applicant, not merely once, but twice or three times. We want to know if he 'wears well.'

"We ask the applicant to undergo certain written tests, by which we can gauge his mentality. One of these is a test to which I attach considerable importance. It is a test in arithmetic. In my opinion, the test reveals two qualities—or the lack of them. It reveals whether or not the man can figure; and figuring is something that every salesman is called upon to do. And it reveals, with a surprising degree of accuracy, whether or not the applicant is gifted with logic, with the ability to reason.

"Then we go farther. Of course, we ask the man if he is married—who and how many are his dependents, and so on. His social state in itself, incidentally, we don't consider

E. L. Cord

President of the Auburn Automobile Company of Indiana, gives The Dictaphone its full share of credit for helping his concern show the second largest current earnings per share of stock of any concern in the automobile industry

**What's Wrong With Shorthand?**

Executives say:—

- "Out sick, so my letters have to wait."
- "If I could only dictate while it's fresh in my mind."
- "I'm forced to cut dictation short."
- "She can't help me with other things."
- "If she could only take it as fast as I think."
- "It's the 'ring and wait' system."
- "She can't get out all she's taken."

That's enough! I'll send in the coupon below on general principles.

**Miss Ruth Thrapp**

Mr. Cord's Secretary, has made the most of the chance to get out of routine's rut since The Dictaphone relieved her of tedious shorthand note-taking

What's Wrong With Shorthand?

Secretaries say:—

- "I'm sure he said that, but . . ."
- "No one else can read my notes."
- "Those awful waits while he chats over the phone."
- "Hours wasted while he's in conference."
- "These endless notes make me dizzy."
- "I'm nothing but a bell-hop."
- "No time for real secretarial work."

That's enough! I'll show him this trial offer right now.

MAIL WITH YOUR LETTERHEAD

Dictaphone Sales Corp.,
154 Nassau St., New York City

☐ Please notify your nearest office to let me try the New Model 10 without obligation.

☐ I want to read what leading executives or secretaries say about increasing their ability with The Dictaphone. Mail me FREE copy of your booklet, "What's Wrong with Shorthand?"

I am a Secretary ☐
Executive ☐ (Check One)

For Canadian inquiries address Dictaphone Sales Corp.
Ltd., 35 Melinda St., Toronto, Canada
World-wide Organization—

NB-2 London, Paris, Brussels, Sydney, Shanghai, etc.

"Modernizing" jumped output 220%!

E. L. Cord, Auburn President, says:

"The Dictaphone typifies Modern Methods"

Read his testimony. Then profit by his experience—using the coupon below

WIDE-AWAKE executives are watching the Auburn Automobile Company. This concern has produced motor cars since 1900; but when, in 1924, E. L. Cord assumed management, unprecedented things began to happen.

Before two years elapsed Auburn's earnings per share of stock were the second largest in the industry! Yearly shipments first doubled—then quadrupled. While the average production increase of the industry for the first seven months of 1926 was 12%, Auburn's average for the same period was 220%!

Mr. Cord says that one of his first accomplishments with the Auburn Company was "to scrap all antiquated methods and red tape and install modern methods and equipment." That The Dictaphone played a considerable part in this program, we have Mr. Cord's own statement: "It materially

conserves the time of our executives and increases my own ability to get things done!

"Then, too, The Dictaphone gives us an ideal means of making the necessary records of conferences which, in our business, takes up most of the day. And since we must meet many people during business hours, there is little time left for routine correspondence. Here The Dictaphone is invaluable for it permits us to handle these details at our own convenience with the result that we are always caught up."

Thanks to The Dictaphone, Miss Ruth Thrapp, Mr. Cord's secretary, is not tied to mere routine but has a chance to use her ability as a secretary. She puts it this way:

"The time which I had to spend formerly in taking dictation now enables me to be of far more service to the Auburn Automobile Company."

You will never enjoy the advantages The Dictaphone offers unless you resolve to try it *yourself*. Why procrastinate? Use the coupon.

DICTATE TO THE DICTAPHONE

REG. U.S. PAT. OFF.

and double your ability to get things done

moving your plant? opening a branch?

This

FREE book

brings vital facts you need!

WHERE to locate? What city offers most profit advantages? It's a problem! But this common-sense book will help you decide.

Get this Book!

"5 Great Advantages" gives you significant facts—basic information. This 32-page book is sponsored by men who know your problems—active executives of Erie firms. Chapter heads reflect its practical worth—"Rich Mar-

ket Close to Erie," "Swift Deliveries," "Raw Materials Near," "Intelligent Workers."

It's Free!

Here are the results of months of investigation and study—boiled down to pocket size. Get the facts. Mail the coupon!

ERIE
PENNSYLVANIA

CLIP
and
MAIL

City of
5 great
advantages

ERIE CHAMBER OF COMMERCE
Erie, Pa.

Date _____

Please send a copy of your booklet "5 Great Advantages."

Name _____

Firm _____

Address _____

NE 3-1-27

Do You Buy or Are You Sold Insurance?

It's possible through insurance to eliminate most risks from your business. But that might eliminate most profits as well. What, then, is the happy medium? How careful must a business man be?

Two young men become partners in a business venture. They look upon insurance as a necessary evil, something to "take out" and then forget. They find it more complicated than that. In the everyday intricacies of insurance they find many things they never dreamed of.

Robert L. Barnes tells of their experiences in a new series of articles soon to start in NATION'S BUSINESS.

a criterion. Whether a married man makes a better salesman than a single one is a question we're not ready to answer. We don't feel that we've gathered enough data to justify a conclusion. But—

"If the man is married, then we want to know how his wife feels about his work. Is she willing to work on a salesman's fluctuating income? If necessary, will she move with him to another city? As the wife of the man on the particular job to which we shall assign him, will she be happy?"

"As we look at it, marriage is most distinctly a partnership. One of the partners, the husband, is in our sight and under our control every working day. The other is invisible and beyond our reach. But, because we realize how potent an influence that partnership can exert, we seek to find out the attitude of that silent invisible partner, the one at the fireside.

"Our method of finding out is direct and sensible. We interview the wife. We explain to the husband, frankly, just what we are trying to do, and why; and through him we arrange for the wife to come in and talk with us. Then, courteously but frankly, we lay the whole matter before her. We explain, specifically, just what the conditions of her husband's work are to be. We tell her what he can expect in the way of income. And on that point we don't exaggerate! You see, we aren't giving her a selling talk. We tell her that his hours, very likely, will be long; that, because his earnings will depend wholly on his own effort, he likely will work many evenings.

"One by one, we lay our cards on the table, face up. And then we say to the wife: 'Now, knowing all the facts, do you want to see your husband take this job? Will you stand by him, cheerfully and happily?'

"And, if she smiles and says, 'Yes'—then, he's hired.

"Do the women take to it kindly? They do. For, you see, the idea is nothing more than just plain, common sense. And there's no one in the world more sensible than a woman."

More Strange Requests

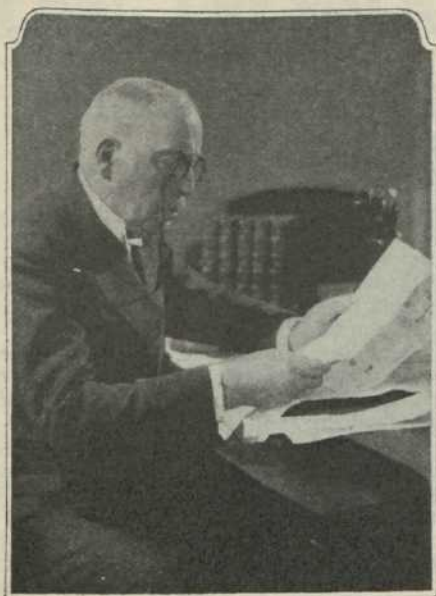
THAT Senator, who told the readers of NATION'S BUSINESS all about the chores he had to do, has no monopoly of strange demands from constituents.

Representative Albert Johnson, of Washington, has been working for several months to get straightened a wooden leg of an Indian out in his district, who claims it is so badly warped that he cannot use it any more. Theodore Pulsifer is the constituent's name and he lives at Shelton, Wash.

"I'm dropping you a few lines to ask you a favor," he wrote to his congressman. "I am a cripple. I lost my leg three years ago in a logging camp. The state got me a leg and that leg is all out of shape now and I can't wear it and I ain't got no money to get another one, so I'm asking you for help."

Because all Indians are more or less wards of the Government, Representative Johnson took the matter up with the Indian office, and it in turn corresponded with its Indian agent at Hoquiam, Wash., W. B. Sams.

Sams found that under the Washington State Compensation Act Pulsifer had been provided with a wooden leg that cost \$145, and that the state law fixed a limit of \$165 that might be paid for any wooden leg purchased. He has ascertained the name of the manufacturer of the leg, and is corresponding with him to learn whether he will repair it for \$20. If so, the State of Washington may be willing to go the limit on Pulsifer's leg, and Uncle Sam's won't be pulled for once.



Mr. Publisher (and with good reason) looks upon radio as a promising youngster in the advertising family. So the advertising department of Printers' Ink mail him an illustrated letter telling why Mr. Publisher should take space in Printers' Ink to talk to Mr. Radiomaker. The letter tells the story—the inside pages reproduce the advertisements of many radio manufacturers who subscribe to Printers' Ink.



This grower of peanuts is interested in a peanut picker and the letter from the Benthall Machine Company tells all about it. The inside pages of this four-page letter show the Benthall Picker in colors with testimonials and many added arguments for its purchase. TWO-TEXT is invariably used for Benthall letters.

A Paper That Business Needed

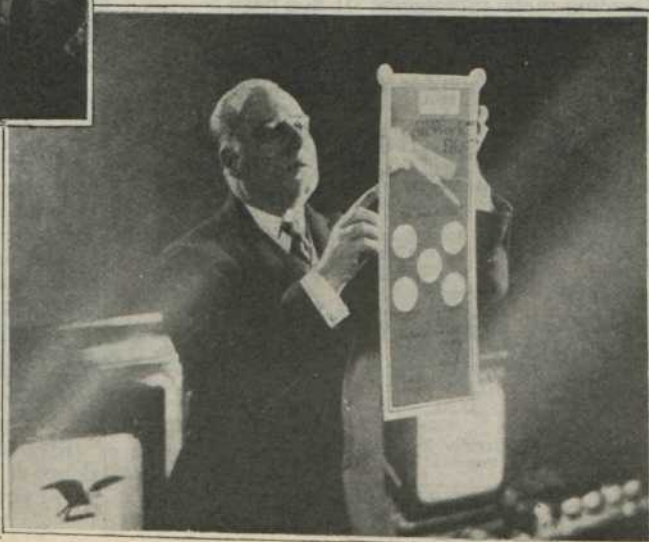
TO MAKE direct mail work pay better, try the four-page illustrated letter. Such letters provide words for those who like to listen—pictures for those who prefer to see.

On various tests, they bring from 11% to 20% greater returns.

The paper chosen for illustrated letters must combine the advantages of bond and coated papers and have none of their disadvantages. There is one paper that does this—TWO-TEXT.

For the typewritten side it provides a real bond paper with the bond feel and look that the typewriter ribbon requires. Yet, TWO-TEXT is so much more opaque than bond papers that the printing on the inside does not show thru. For the inside—the illustrated side—it provides a coated paper that will print the finest color half-tones. The same printing plates used for magazine advertising or booklet may be utilized.

The Handbook of Illustrated Letters, full of interesting information on more effective sales letters, as well as sample sheets and printed specimens, will be sent if you will write Standard Paper Manufacturing Co., Richmond, Va., sole makers of TWO-TEXT Illustrated Letter Paper.

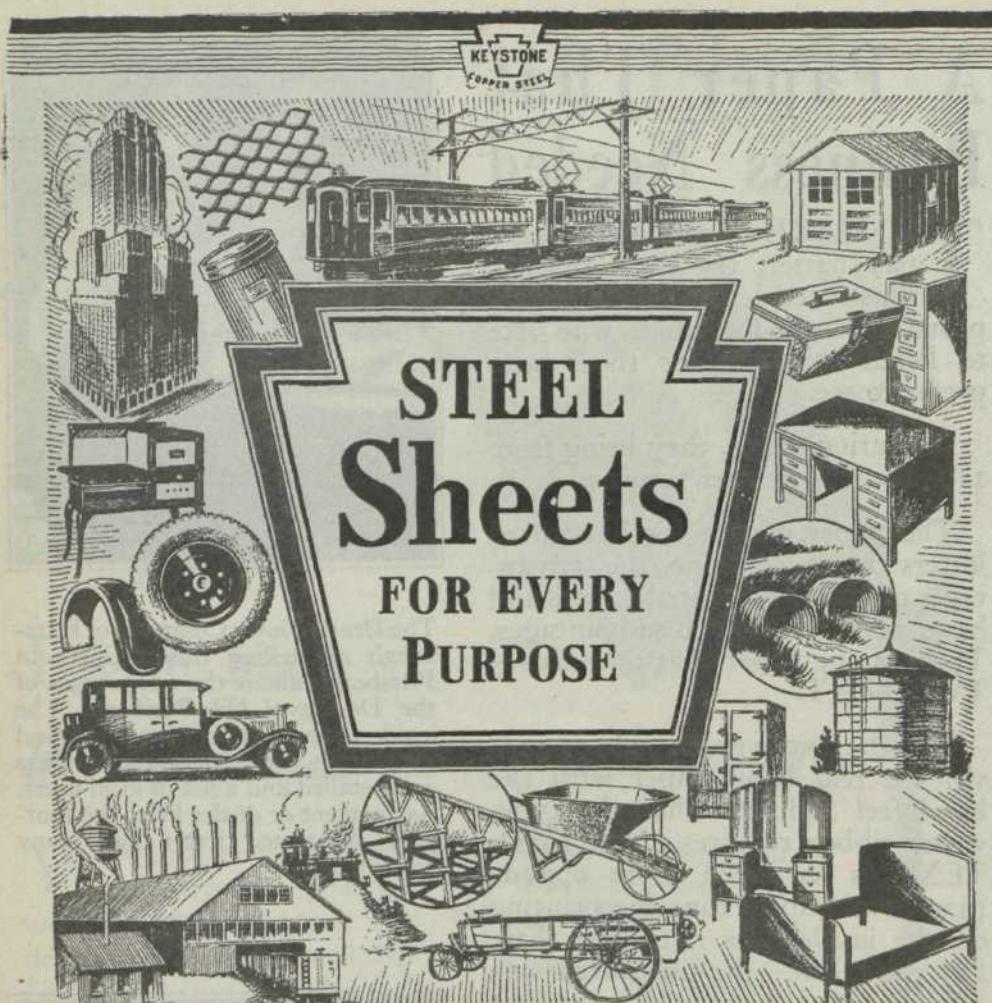


The Dravo-Doyle Company of Pittsburgh are telling this engineer in Pittsburgh about the advantages of the De Laval Oil Purifiers. The inside pages show plants around Pittsburgh where these oil purifiers are installed and a list of local users. As an agent or dealer help, the four-page illustrated letter has many advantages.



This merchant—thanks to TWO-TEXT—is shown just how beautiful Fox Fibre Furniture looks. Illustrated letters printed in four colors pay especially well when selling things of beauty.

A metal display case is offered this hardware dealer if he buys a certain number of Plumb files. The inside of the letter was a window display in colors. The dealer read the letter side . . . then pasted the illustrated side to his window.



**STEEL
Sheets
FOR EVERY
PURPOSE**

SHEET STEEL—the material of economy and utility, is rapidly gaining in popularity in all lines of industry. This Company is the leading manufacturer of

Black and Galvanized Sheets

Automobile Sheets, Special Sheets

Formed Roofing Products

TIN AND TERNE PLATES, BLACK PLATE, ETC.

—highest quality Sheets and Tin Plates for every purpose to which sheet metal is adapted—for building construction, metal lath and general sheet metal work, automobile bodies and parts, heating and ventilating equipment, metal furniture, railway uses, machinery, utensils, vaults, culverts—and for every conceivable use. Sold by leading metal merchants. If you have a sheet metal problem, write the nearest District Sales Office. When resistance to corrosion is an important factor, use Keystone rust-resisting Copper Steel Sheets and Tin Plates. Our FACTS booklet will interest you.

Sheet Mill Products

Black Sheets for all purposes, Apollo and Apollo-Keystone Copper Steel Galvanized Sheets, Culvert, Flume and Tank Stock, Formed Roofing and Siding Products, Special Sheets for Stamping, Full Finished Sheets, Automobile Sheets, Electrical Sheets, Stove and Range Sheets, Barrel and Keg Stock, Etc.



Tin Mill Products

American Coke and American Charcoal Bright Tin Plates, Taggers Tin, American Old Style and American Numethodd Roofing Terne Plates, MF Roofing Tin Plates, Fire Door Stock, Black Plate for all purposes: Enameling and Japanning Stock, Stove Pipe Stock and Elbow Stock, Special Stamping Stock, Etc.

American Sheet and Tin Plate Company

General Offices: Frick Building, Pittsburgh, Pa.

DISTRICT SALES OFFICES:
Chicago Cincinnati Denver Detroit New Orleans New York Philadelphia Pittsburgh St. Louis
Export Representatives: UNITED STATES STEEL PRODUCTS CO., New York City
Pacific Coast Representatives: UNITED STATES STEEL PRODUCTS CO., San Francisco, Los Angeles, Portland, Seattle

"Who Steals My Good Name"

By William A. McGarry

AN OHIO manufacturer dropped off a train at Philadelphia the other day to see a new customer who had sent him, entirely without solicitation, a single order large enough to keep his factory operating at full blast for thirty days.

Consulting a note book, he gave firm name and address to a taxi-driver, and about ten minutes later the cab stopped in front of a small combination store and dwelling in a semi-residential section of West Philadelphia.

"Must be some mistake," said the passenger, after one glance at the place. "This store is vacant."

"That's the number you gave me," retorted the driver, pointing to it in large numerals on the store window, "and there's the name you mentioned, too. Maybe they've moved."

A Fly-by-night Firm

A LITTLE inquiry in the neighborhood confirmed this surmise—and that wasn't all. The customer had moved, leaving no trace. Moreover, other storekeepers supplied the information that the premises had been



occupied only a little more than thirty days.

"They didn't seem to be selling anything," said one observing merchant, "but they took in a lot of stuff, freight and express, all boxed up. Most of it from out of town. It was shipped out again right away, generally from the back entrance."

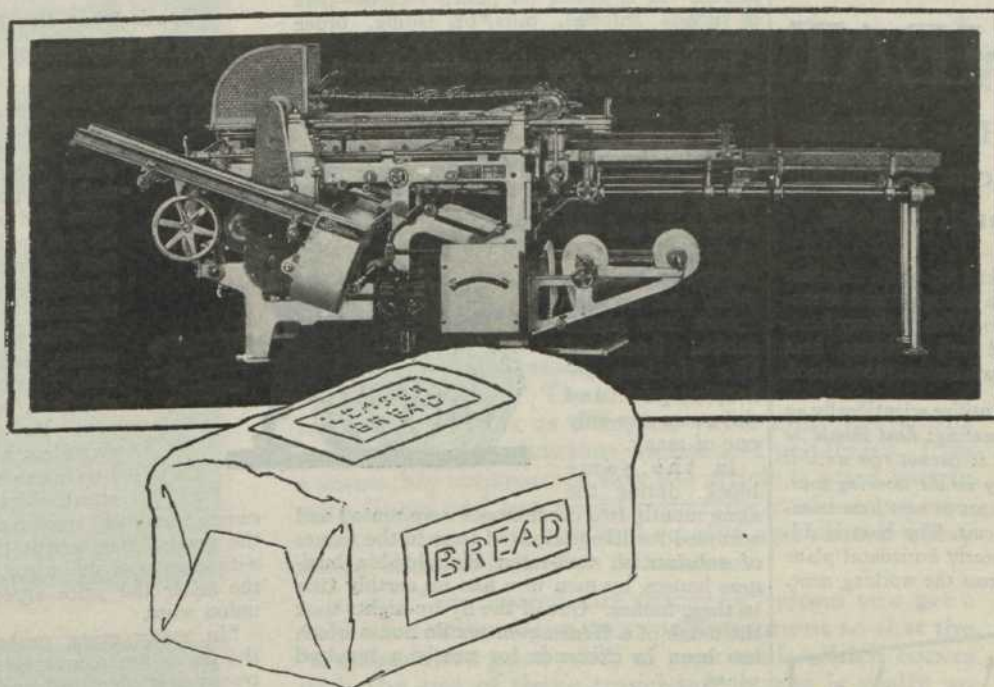
"But I'm sure there's a mistake," the manufacturer insisted. "This firm has a rating well up in the hundreds of thousands. I took particular pains to check it myself before the goods were shipped."

"Maybe the mistake's on you, mister," another storekeeper volunteered. "Several other men have been around since this firm moved, and one fellow looked for the name in the 'phone book. He found a big concern down town with the same name, but when he called up they said they didn't know anything about this place. I'd advise you to see the police."

The manufacturer, a little agitated by this time, confirmed the information about the other firm of the same name, and then came to the conclusion the advice was good. He saw the police, only to learn he was a few days late. Then he saw a lawyer, and was told that even if he located the merchandise he was probably out of luck.

By that time, however, he had opened the doors of publicity to a credit fraud heretofore extremely quiet—a fraud which has cost manufacturers, jobbers and wholesalers scat-

Your producing partner~machinery



~is it economical?

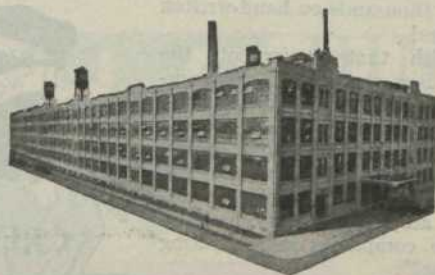
ECONOMY is a welcome trait in a business associate—it is doubly desirable in your real producing partner, automatic machinery.

Naturally the basic idea of all automatic machinery is economy in the use of labor, but AMF engineers have extended the principle to include other factors of equal importance. For instance, the baking plant problem of wrapping bread has been unduly complicated by the fact that a battery of wrapping machines has been necessary to handle each day's production of the various sizes of loaves. The AMF Standard Breadwrapping Machine is *adjustable*; one machine is capable of wrapping these various sizes.

In doing this a surprising economy in the use of paper is effected.

Formerly standard sheets were cut before the loaf was wrapped, each of the maximum size required for any loaf in the batch of bread. Consequently, on all except the largest loaves, more paper was used than actually needed.

The AMF Standard wraps the loaf first, then cuts the paper from the roll. Each loaf measures its own wrapper. Regardless of its size, only the minimum amount of paper is used to make a perfect wrap for each loaf.



Automatic Machinery for Feeding, Filling, Weighing, Packaging, Wrapping, Sealing, Pumping, Photo-Composing, and for all branches of Tobacco manufacture. Also India, the Perfected Casein Solid

AMF producing partners have been responsible for new economies in many fields of industry. Let us determine their possibilities in your business! American Machine & Foundry Company, Brooklyn, N.Y., London, England, Alexandria, Egypt, Shanghai, China.

Automatic Machinery

When writing to AMERICAN MACHINE & FOUNDRY COMPANY please mention Nation's Business

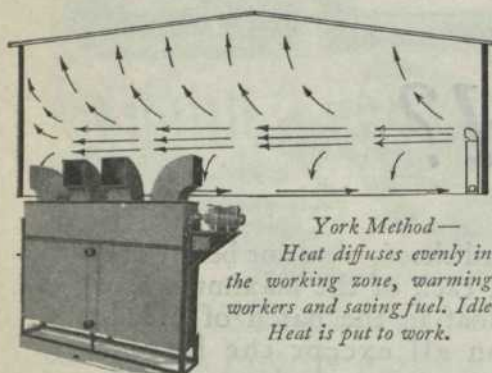


IDLE HEAT

New Method of Heat-Diffusion
Puts Plant and Factory Heating
on More Economical Basis

"If my factory people worked up under the roof they'd be warm enough," is a thought most executives have indulged in at times. With ordinary heating methods—pipe coils and wall radiators, heat follows its natural straight-upward course to the roof.

York Heat-Diffusing Units utilize scientifically an "overlooked principle" of heating: *heat should be diffused in such fashion that it cannot rise until it has spent its principal energy in the working zone.* Install York Units in new plants or use them to replace existing radiation systems. The heat is diffused quickly, evenly on a nearly horizontal plane until its principal energy warms the working zone.



Average results show fuel savings of from 10 per cent upward, with installation savings of from 10 per cent to 50 per cent. In average industrial plants at normal temperatures the temperature difference is less than 1° per foot of height from floor to roof, instead of 2° and more by other methods.

Now used by several thousand concerns, among them General Motors, Atwater Kent, Dupont, Armstrong Cork, U. S. Steel, Pittsburgh Plate Glass, U. S. Aluminum, etc.

Write for interesting air-current tests and other data. York Heating and Ventilating Company, 1514 Locust Street, Philadelphia, Pa.

YORK Heat-Diffusing Unit

MAIL THIS COUPON NOW

YORK HEATING & VENTILATING CORP.
1514 LOCUST STREET, PHILA., PA.

Please send me Smoke Bomb Test literature and other facts concerning York Heat-Diffusing Units.

Name _____

Address _____

NB-3-27

tered all over the United States twelve million dollars in little more than one year.

If a writer attempted to get away with the amazingly simple details of this latest commercial swindle in fiction, most business men probably would call his story absurd and say it simply couldn't happen. But the truth is that it has happened. This tale isn't fiction. It is based on police records—lists of goods shipped, bills of lading, order blanks.

In the case of the single store referred to, for example, the Ohioan has been followed by a long procession of business men whose losses aggregate \$185,000. Merchandise to that value went in at the front door and out at the back of this thirty-day enterprise, and nobody knows how much more. Some of the victims are keeping quiet. And this store was only one of many.

In the same block, during the same month, two other stores were rented and occupied for like periods of time in the names of substantial, well-rated Philadelphia business houses, by men who had no earthly title to these names. One of the fly-by-nights took the name of a Kensington textile house which has been in existence for nearly a hundred years.

Elsewhere in the same city at least a dozen similar gilt-edged buyers have come and gone. Many warrants have been issued. Several arrests have been made. Apparently the swindle has been halted for the time being in Philadelphia, but according to the police it is still operating in other cities, and nobody can stop it but the business man.

Complete Office Equipment

THE SCHEME is simplicity itself. All the swindlers need is the name of a well-rated going concern, an address in the same city as far away from the real home of the company as possible, some letter heads and order blanks, and a directory of manufacturers, jobbers and wholesalers. A typewriter is also regarded as quite the thing by most of the thieves, but one gang got away with thousands on hand-written letters!

With that equipment, the swindler sends out price inquiries and then orders at the usual thirty-day terms.

All of this probably sounds foolish to the shipper who has not been caught. "Why?" he will ask, "didn't they look up these companies in the rating books?"

That is exactly what the victims did—and nothing more. They found the ratings high and the credit good, and the address as Philadelphia or New York or Boston or Baltimore, to name but a few of the cities where the fraud has been worked.

According to records confiscated by the police, representing the operations of several different gangs, twenty-two out of every hundred merchants getting orders under just such circumstances make the shipments without any further check of address or identities. This ratio holds so true in all lines of business that Col. Samuel O. Wynne, chief of county detectives in Philadelphia, has labeled it the "commercial sucker constant."

One of the amazing features of the conspiracy is the difficulty police and commercial interests have had in convincing business men that it is a real menace. Even after their goods are gone and the conspirators have disappeared, many of the victims cling with childlike confidence to the belief that somehow their merchandise will be returned.

Goods That Are Not "Stolen"

WHAT they cannot get into their heads until after they have seen a lawyer," says Colonel Wynne, "is that this is a commercial fraud, which is not the same simple thing as plain larceny. In other words, the laws that make it possible for police to seize and return stolen goods do not apply with the same effect to merchandise obtained through regular commercial channels.

"There are exceptions, of course, and the only way for each victim to learn where he stands is to consult his attorney. But the position of the swindlers is more dangerous to business than if they were sneak thieves or burglars, because, generally speaking, title passes with the goods. The credit thief who gets away with a gross of union suits, for example, owes the seller the price agreed on, and not the union suits.

"In many cases, probably in most cases, the goods are recoverable when they can be traced and identified and the real ownership established. But this is expensive. It is so expensive that, in the case of the man from Ohio who brought the fraud to light in Philadelphia, he concluded to charge the order to profit and loss rather than try to recover. Yet this man located his goods in a certain retail store and was able to identify them by serial numbers."

Still another development of the fraud would be unbelievable—if it hadn't happened. One of the three groups operating in the same Philadelphia block—the one faking the name of the textile house—apparently ran out of names in that line. So the ready-order man got some other commercial directories. One of them listed drug wholesalers. Among the merchandise carted away from his place before the bills began coming in was several thousand dollars' worth of drugs.

Just what a textile company might be expected to want with patent medicines and other drug items in gross and great-gross lots is a matter of immediate mystification to the outsider. But evidently it didn't cause a ripple in a

dozen or more wholesale drug houses, for they shipped the goods. By the time one house became inquisitive and notified the police, the buying experts had gone.

A swindle that reaches the proportions indicated by the figures quoted is no laughing matter, however. In the majority of instances, the manufacturers victimized are able, apparently, to stand their losses. That probably is one reason why police have had difficulty getting witnesses in the relatively few cases where arrests have been made. The losers have been fearful of publicity.

Cases have come to light in which the vic-



Shipping Boxes VS Safe Shipping

PLACE an order with H & D and you won't get mere "shipping boxes" with four sides, a top and a bottom. You'll get "safe shipping" for your products. There's a difference.

Every H & D box gives "engineered protection" to its contents because each article is studied by the Engineering Department and a package accurately designed to its individual requirements of safety, utility and convenience. These requirements include such important factors as shipping rules and regulations and freight classifications, rights and privileges. Into a staunchly constructed box the article is fitted snugly with liners and bracers in protective cushions of corrugated fibre. The box will receive and absorb every shock without injury to its contents.

In this "engineered safe shipping" alone you get a dollar for dollar value on your investment so that the "accumulative good will" of your trade which comes with the use of these travel-safe boxes is really an extra dividend.

The prompt arrival of your products in neat, compact, easily-handled boxes, a worth while saving to your customers in lower shipping charges, and the smaller storage space they require, wins emphatic good will which is increased with every shipment, and bears lasting fruit in easier repeat orders.

This is what H & D has supplied not only this year and last year but for the past 22 years. It is this Engineering Service that has made H & D the world's largest producer of corrugated fibre shipping boxes and packaging materials.

The H & D Service Staff of 40 Expert Packaging Engineers is waiting to help you. A visit from one of them involves no obligation on your part. Return the coupon or write us about your requirements. THE HINDE & DAUCH PAPER COMPANY, 304 Water Street, Sandusky, Ohio.



Ask a "P. E." He Knows Packages

Since 1917 the Cleveland Kraut & Pickle Co., Cleveland, Ohio, has been using annually about 30,000 H & D boxes, specially designed for their needs by H & D Package Engineers.

Mr. D. S. Duncan, President of the company, says: "These boxes cost us only 35% of what wood would cost and there are additional savings in reduced packing labor."

"Our H & D boxes are shipped to us, knocked down, and occupy comparatively little storage space. There is no waste with the corrugated fibre boxes, though dozens of our other boxes became unfit for use before they were ever packed."

"Customers like H & D boxes because our goods reach them in better condition. Sealed with silicate, the boxes are dust proof. They are more easily handled than wooden boxes, and have no projecting nails or splinters to make trouble."

"Then, too, Hinde & Dauch are giving us prompt and efficient service in filling orders."



HINDE & DAUCH CORRUGATED FIBRE SHIPPING BOXES



RADIO



CANNED GOODS



FURNITURE



PROPRIETARY PREPARATIONS



MECHANICAL APPLIANCES



GLASSWARE



BEER

THE HINDE & DAUCH PAPER CO., 304 Water St., Sandusky, Ohio

Please have a Packaging Engineer call ☐
Send me copy of booklet, "How to Use H & D Free Service." ☐

Name of Company _____

Name of Writer _____

Street Address _____

City _____ State _____

A Billion Dollar Business

Fifty-three thousand employees, of whom 13,000 are shareholders, helped to boost Swift & Company's sales close to the billion dollar mark in 1926, an achievement of which the company is proud.

That is just a part of the story told in the new Swift 1927 Year Book.

In his annual address to shareholders, President Louis F. Swift outlines an amazing tale of big business:

Swift & Company spent \$482,708,847 for live animals in 1926, almost a million and a half in cash each business day;

The number of animals purchased was 16,969,708;

Live stock prices averaged slightly higher than in 1925, although sheep sold for slightly less.

Payment of dividends regularly for more than 40 years has earned the confidence of the investing public, and attracted 47,000 shareholders, of whom 20,000 are women.

There are a number of interesting charts in the Year Book.

A copy will be sent free on request. Just fill out the coupon below and mail.

Swift & Company

104-B

Swift & Company,
Union Stock Yards, Chicago

Please send a copy of the 1927 Year Book to:

F. N. _____

Three and a half millions a day

That's the amount the peace-time cost of running the Federal Government has increased in twelve years.

What are you, as a taxpayer, getting for this additional three and a half million dollars a day? William P. Helm answers this and other questions in a series of articles beginning in an early number of NATION'S BUSINESS.

times are not able to stand their losses. At least one manufacturing partnership has closed its doors as a consequence of the credit fraud. The partners in this case manufactured a radio specialty. Their plant had only a small capacity. After some negotiation they sold to one of the Philadelphia swindlers the output of three months.

In every instance investigated by police in Philadelphia, the swindlers had complied scrupulously with the Pennsylvania law requiring registration of business names—the fictitious names act. The purpose of this evidently was to prevent interference from the police in event of discovery, or at least to hold up action until the getaway. Study of the law has shown that it contains no provision for the protection of a business name.

Any crook might file under the title of the Pennsylvania Railroad without violating any statute.

A Stitch in Time Saves Nine

APPARENTLY, therefore, the only effective way of checking the fraud is to teach shippers not to ship until they are sure of the address. Frauds have been perpetrated even against supply houses which had had previous dealings with the genuine buyers faked by the swindlers. Where shipments normally are sent to the genuine firm only with the name of the city as the address, a credit swindler who is willing to forge a signature and add his own street address, describing it as the warehouse, may get away with thousands. This has been done.

Needless to say, chambers of commerce, credit men's associations, post office inspectors and better business bureaus are doing all they can to warn shippers against the prevalence of the new fraud. The Better Business Bureau, in a recent credit fraud warning, said: "For some months manufacturers have been receiving orders from bogus firms in Philadelphia trading on the reputation and name of established firms. Many manufacturers have taken it for granted that these orders were from companies listed in the commercial rating books and have consequently filled them. The merchandise is never paid for, and on inquiry the shipper finds that the store is closed and the goods have disappeared. More than a million dollars' worth of radio supplies is alleged to have been obtained in this manner."

The Golden Stairway

"CLIMBING the golden stair" is the exclusive right of senators at the Capitol. The golden stair is one that leads from the ground floor to the Senate floor, and it derives its name from a heavy brass rail, highly polished.

At the bottom of the staircase sits an elderly man, whose sight is not of the best. His duty is to see that none but senators use the staircase.

"Here," said he, to a man of iron-grey hair as he started up the stairs. "You cannot go up those steps."

"Why not?" asked the would-be climber.

"Only senators are allowed there."

"Oh," argued the other, "I don't think the senators would mind if I walked up them just once."

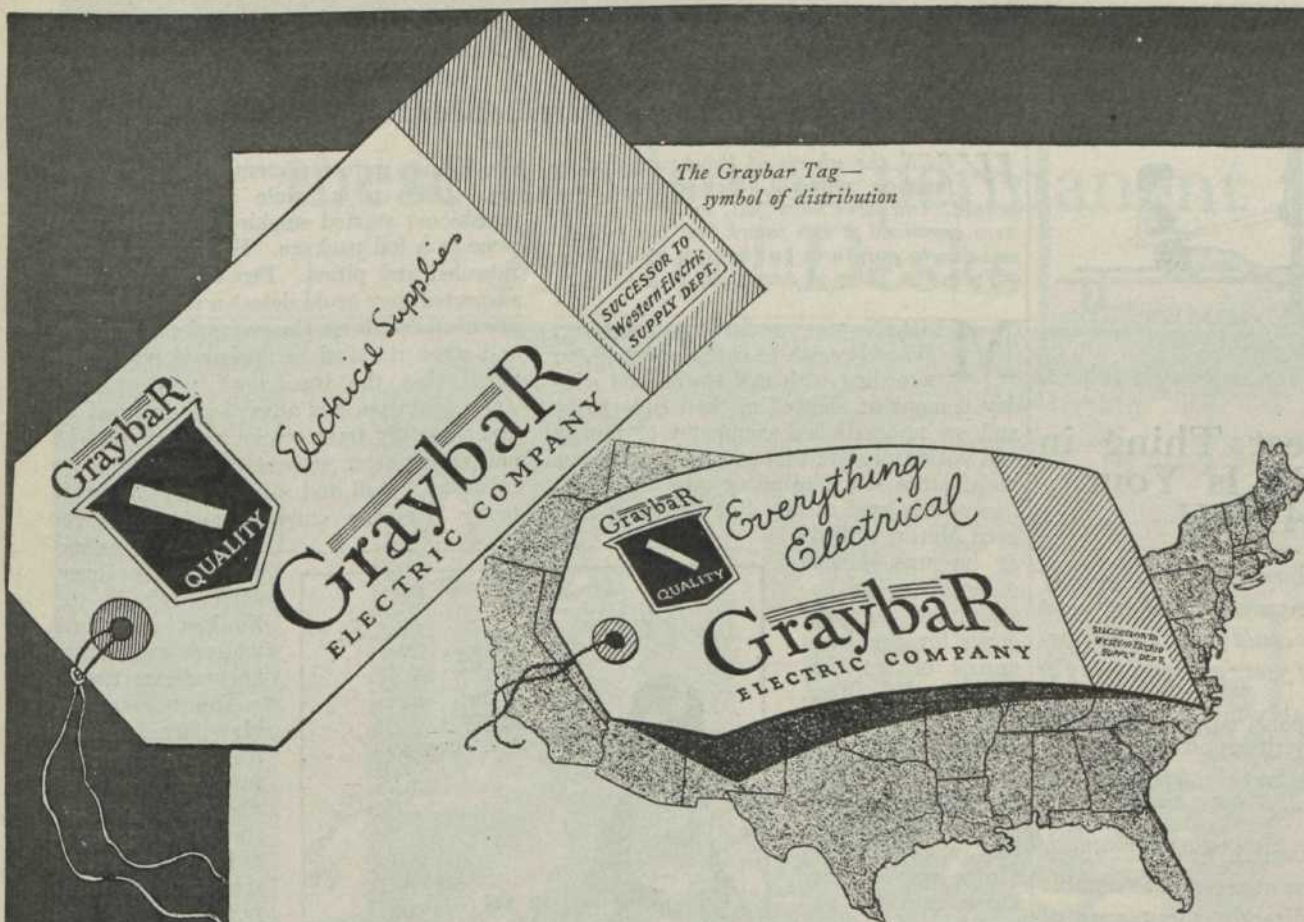
"Yes they would. I'm here to see that no one else uses them."

Just then the secretary to Senator Warren of Wyoming came along, and overhearing the argument stepped up to the guard.

"Why," said the secretary, "this is Senator Norris of Nebraska."

Did he climb the golden stairs?

He did.



This 6-inch bridge covers 3 million square miles

BRIDGING the gap between hundreds of manufacturers of electrical supplies and the millions who use them, is the job of the Graybar Tag.

This shipping tag brings some 60,000 electrical supply items to users, quickly and economically. *Quickly* because Graybar's nationwide chain of 60 warehouses keeps supplies next door to demand everywhere. *Economically* because these available stocks enable the user to cut his own investment in electrical supplies to a minimum.

Electrical needs of industry, commerce or the home, anytime, anywhere—Graybar is on hand to fill them with the same brand of service that has made this organization the world's largest distributor of electrical supplies.

Graybar Electric Co.
Executive Offices: 100 East 42nd Street, New York City



The Greatest Thing in the World Is Your HEALTH

Suppose you had taken and filed away each year, an inventory of your physical condition—that you could go back and compare the inventory of years ago with today's:

You would probably find that entirely too much has been written off for physical depreciation, muscular obsolescence and depletion of endurance.

Although an intangible, health in abundance is the business man's most valuable asset. It affects directly the tenure of his active life. And the surest maintenance of good health is attained through daily exercise—the stretching and vitalizing of muscles as Nature intended.

GYM JUNIOR

The Home Gymnasium

a health apparatus admirably adapted to the business man's needs. Occupying only $7\frac{1}{2} \times 9$ feet space, it can be located in extra room in office or plant; or in spare room, basement or attic of the home. This compact gymnasium combines a Rowing Machine, Chest Weights, Punching Bag, Chinning Bar, Wrist Machine, Massage Roller, Parallel Bars, Wall Ladder and other standard equipment. A few minutes daily spent in invigorating exercise with Gym Junior will counteract the deteriorating influences of a sedentary business life.

For Group Use

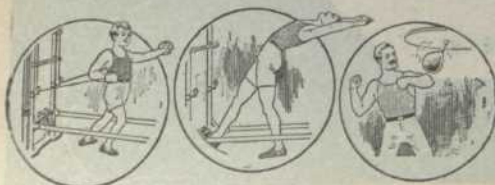
Gym Junior also is ideal equipment for Welfare rooms, Clubs, Yachts, Hospitals, Schools—anywhere that gymnastic apparatus is used and space economy is a requirement. Three people can use Gym Junior simultaneously.

May we send you "Playing for Health"—an interesting booklet, profusely illustrated with photographs of Gym Junior in Use.

GYM JUNIOR COMPANY

538 Gregory Ave.

Weehawken, N. J.



Bias vs. Business

By Harry Botsford

WHEN the wheels of Progress failed to function properly, they stopped and behold! two tires were flat, and when they were examined it was found that the trouble was due to punctures by the tack called Bias.

—From the Tales of Aesop, Jr.

MERLIN was a first-rate sorcerer. When it came to catch-as-catch-can wrestling with evil spirits and sundry demons he showed marked superiority and an unquestioned command of mystic and potent phrases that sent such malicious malefactors scuttling away into the darkness which bred them. But I suspect that even Merlin, skilled as he was, failed miserably when he attempted to put down for the long count of ten the twin devils, Bias and Prejudice.

Bias and Prejudice have been, since the beginning of commercial history, evil and malicious spirits that have imposed on business and commerce heavy penalties. Perhaps they have held a Black Mass over the physical remains of every business and commercial failure; it is not difficult for one to conceive them attending such an affair with considerable and no end of cruel zest.

Today a greater magician than Merlin is exerting a beneficent influence—an influence that is cracking the whip, making Bias and Prejudice jump through hoops. But every once in a while the spirits unite in a robust rebellion that makes things unpleasant and that spills red ink impishly on thick ledgers and that robs the public of a product it should use. And that magician who struggles so valiantly and courageously has a dual nature and, for the lack of more illuminating nomenclature, might be called Education and Advertising. Yet—Bias and Prejudice win a round in the battle every now and then.

When Smokers Changed Habits

TIME was when Bias and Prejudice won almost every round! I can remember—and I am no ancient, either!—when it was considered effeminate to smoke a "tailor-made" cigarette. This was not a localized belief; it was a common one. Prejudice and Bias sneaked around and whispered unpleasant things in the ears of smokers: "Roll your own!" they advised. "These ready-made cigarettes are made from the saloon-floor sweepings, from the residue of cuspidors and other unpleasant things. Very unhealthy! Shun them!"

And the smokers cocked receptive ears. The dozens of packages of cigarettes in the corner cigar store gathered dust. About

two brands were represented in the stockage. Once in a while an unregenerate parishioner started smoking cigarettes that came in a foil package. He was, as a rule, ridiculed and pitied. People watched and suspected they could detect a sudden breakdown of health on the part of the smoker, and when it failed to appear it was whispered that the breakdown was gradual. Then education and advertising stepped in, and presently fresh stocks replaced the old one in the cigar store and cigarettes were taken up by all and sundry, and the habit today is almost universal and almost respectable.

Bias and Prejudice, however, still lurk in the background and whisper evil things about cigarettes.

The housewife—bless her heart!—has always been a prey of Bias and Prejudice. Perhaps the feminine ear is a bit more receptive to their whispers and jibes and taunts. The linoleum makers had a rather hard time of it convincing the housewife that linoleum could be used

in rooms other than the kitchen and bathroom. Bias whispered that it couldn't and shouldn't be done. Prejudice said it wasn't being done. But when the linoleum people showed the housewife the many manifest virtues of linoleum, the lady, for once in her life, listened to stronger and more concrete arguments than Bias and Prejudice ever advanced.

It took years and years, however, before the issue was definitely settled between the old wooden wash tub and the power washer and wringer. Bias and Prejudice almost won that battle! Today Bias and Prejudice have retreated, on this phase of their activity, to the second line of defense. They maintain that the power washer, wringer and ironer may be all right. But lay off the laundry, they say, *sotto voce*, to the housewife. They remind the lady of many things (which are not true), and among their arguments are the stock ones that, if the family wash is sent to a laundry, buttons will be lost, the table linen texture and weave will be ruined by strong detergents, and laundry will surely be missing when returned. Combatting this, the laundry people in a national advertising campaign are telling the truth about modern laundry service, equipment and facilities. Bias and Prejudice are still holding out, however, but losing the fight.

It is generally agreed today that the telephone is a commodity; every time that statement or concession is made Bias and Prejudice emit a series of groans. Well,



Today, business men are demanding these handsome, permanent Allsteel Desks



Section of the general offices Prudential Insurance Co., Newark, N. J., equipped with GF Allsteel Desks.

Beautiful, permanent, and exceedingly low in price

MODERN desks are steel—just like modern safes—modern filing cabinets—modern shelving. For only steel desks can be fire-resisting and permanent.

In a few short years GF Allsteel Desks have replaced wooden desks in countless offices all over America. They are handsome as the most beautiful wood—yet durable as only steel can be.

Finish is enamel—baked on. It can't chip or discolor. Top—banded with bronze—is of

"Velvolum," warm and pleasant to the touch, stainproof, washable and can't wear rough. Feet are bronze. Drawers work easily, smoothly, silently.

Yet, with all these advantages, Allsteel Desks—in mahogany, walnut or green finish—cost no more than ordinary wooden desks. Send the coupon for catalog.

THE GENERAL FIREPROOFING COMPANY
Youngstown, O.; Canadian Plant: Toronto. Dealers in all principal cities

GF Allsteel

Safes • Filing Cabinets • Sectional Cases • Tables • Shelving
Transfer Cases • Storage Cabinets

THE GENERAL FIREPROOFING CO.
Youngstown, Ohio

Please send me a copy of the Allsteel Desk catalog.

Name _____

Address _____



PAINT WITH THIS MACHINE And Save Money



EVERY user of Matthews Mechanical Painting Equipment knows that he is saving money on the cost of applying paint, but the real saving comes over a period of time and not on just a job or two. Here's where the cost of upkeep enters the picture and may tell a different story. An assembled machine that sprays paint is not necessarily an economical one.

Built Better

Your experience in buying other kinds of machinery tells you that each unit of the whole must be carefully designed and tested in order to have dependability and to do the work right day in and day out. 27 years of engineering experience and \$300,000.00 development investment are behind Matthews Equipments. They are guaranteed. That is why these equipments show the biggest saving.

Used by Many Industries

Companies like The Texas Co., B. & O. Railroad, Ford Motor and others have tested mechanical painting equipments on all kinds of work. They use Matthews Equipments. Profit by the experience of these companies who have taken the time to find out which machines give the best service and save the most money.

Get This Booklet

"Mechanical Painting for Maintenance" is a 12-page booklet that answers many of the questions you want answered about mechanical painting and equipment. It gives comparative costs, shows various equipments, and a host of other interesting, valuable information. Will you write us for it?



W. N. MATTHEWS CORPORATION
3758 Forest Park Blvd. St. Louis, U.S.A.

MATTHEWS MECHANICAL PAINTING EQUIPMENT

indeed, do they remember how many long years they kept the telephone from becoming popular.

Opposition to Telephone

THEY went around and told and convinced people that the telephone was a very, very dangerous toy. Lightning would dart in on the wires, they promised, and when they had promised that was there any further need of reminding people of the fire hazard of the new product? And for years and years good business men refused to talk of their affairs or projects over the telephone. They feared some evil competition would be listening in! It was a tough battle, but at last Bias and Prejudice gave up the fight.

Time was when business men practically refused to read or pay any attention to a type-written letter. It was considered unethical, undignified and impersonal. It's likely that Bias and Prejudice had something to do with that belief.

One of the very best Hymns of Hate ever sung was the duet warbled by Bias and Prejudice over tinned products. The hymn contained several hundred odd verses and the public listened to the discord and vowed it was sweet and charming melody. The matter centered around the general hazards attached to the business of consuming any food-stuffs preserved in tin cans. It was said that such foods were exceedingly dangerous, reeking in germs, acids and queer and unusual poisons. It was rumored that the foods that were canned were those which were almost a total loss due to spoilage. "Embalming fluids" were used in canned meats, acids were freely used in the preserving of vegetables and fruits, and artificial coloring was always used. It was hinted—yes, even stated as an undeniable fact—that the canner employed people suffering from unpleasant diseases and that the canning process was carried out in surroundings that were far from sanitary.

It became a point of pride for a housewife to say that not one can of tinned goods ever came into her house from one year's end to another. Hardened trenchermen paled at the sound of a can opener cleaving its way through a can.

In the meantime surplus crops of a perishable nature just went to waste. Growers dumped their crops. The American table in winter presented a menu of potatoes, meat and bread and lacking in fruit or vegetables. Bias and Prejudice reared back on their heels and bellowed in hearty and obscene mirth.

Then the canners began to advertise. People were invited to visit their plants, and skeptical housewives accepted the invitations and discovered, to their utter surprise, that the process of canning was a

delicate and highly scientific business carried out under the best of sanitary conditions and that only the best grades of meats, fruits and vegetables were being canned. They discovered, to their shocked surprise, that the canners were better housewives than they were, and they found the workers wearing clean white uniforms. Tentatively they sampled the canned products. They discovered that the canners knew not a little about flavor and how to preserve. As a matter of fact they found that the canned products were superior to anything they ever put down in glass. Then came the matter of cost, and it was

here that the twins, Bias and Prejudice, got in some heavy licks and a few blows below the belt. But the housewife has a lot of native shrewdness. It didn't take her very long to discover that when she canned her own fruit and vegetables she had to figure on first cost, on wastage, on time spent, on materials bought from the grocery store, on cost of glass cans, of can rubbers, of

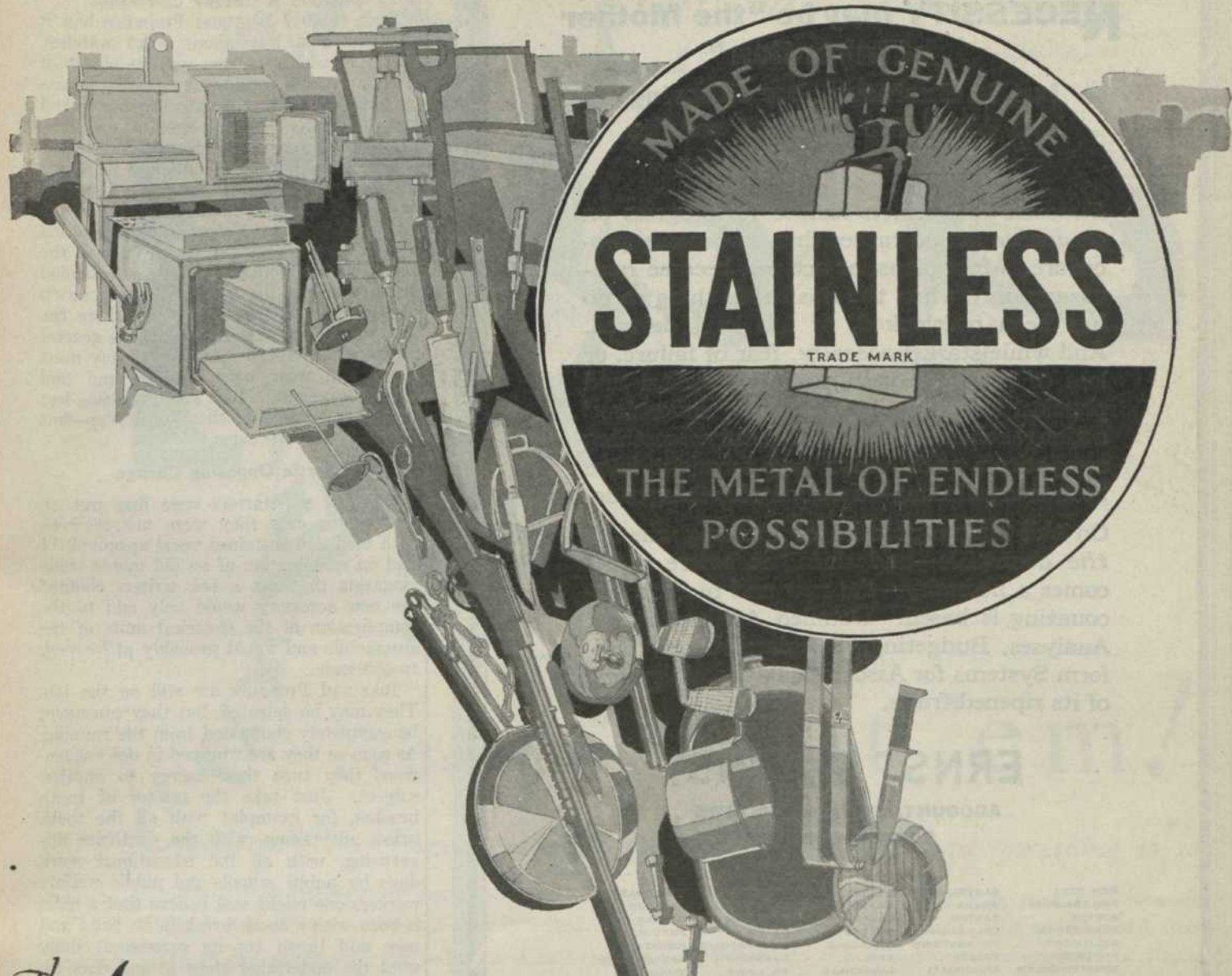
fuel used in cooking. In the final analysis she found that the canner who put on the market several hundred thousand or odd millions of cans of goods could do so in a more economical manner than the housewife who puts up a dozen cans or so. And so it was that Bias and Prejudice were on the receiving end of another knockout blow. Today millions are invested in the canning industry. Hundreds of thousands of people are employed in various phases of the work—tin mines are busy; thousands of acres hitherto unproductive are producing; surplus crops are no longer simply wasted. All of which are subjects that Bias and Prejudice contemplate moodily.

The Fish's New Appetite

TIME was when the angler who used anything but artificial flies or "live" bait was regarded as being a bit crazy. This was, unquestionably, a very just suspicion, for most anglers are a bit crazy. But when casters first appeared, with a couple of little pasteboard boxes containing chunks of gaily painted cedar and adorned with hooks, the gentlemen who did their bass fishing by virtue of a pail of messy crayfish, a can of squirming worms or a weighty minnow pail set up a long and derisive howl. It graveled them mightily, however, when the bait caster set to work and brought to net bigger and better bass than their "live" bait ever attracted. They couldn't understand just why a fifty-cent piece of red and white cedar that wriggled and splashed through the water could attract the earnest attention of he-bass. Even today that point is not entirely settled. The essential point, however, is that the artificial "plugs" get the fish. And when



BETTER, because it's —



The Answer to TODAY'S COMPETITION

TODAY'S pocketbooks no longer demand that low price be the deciding factor in making purchases.

Thousands of manufacturers have learned to their sorrow that meeting price competition does not open the door to big production and big profit.

The answer to this competition lies, to a tremendous extent, in *Product Improvement* rather than price competition; and Stainless Steel has been the means

of lifting many products above the deadly range of price competition into a superior merchandise class that brings an adequate profit return. Stainless Steel provides for a product an effective barrier to rust, stain, and tarnish . . . resistance to abrasion . . . rugged strength . . . and immunity to most acids. It insures a long life service that no other metal can equal.

People are willing to pay a fair price for products that are "Made of Genuine Stainless."

Our booklet STAINLESS IN INDUSTRY will tell you of the wonderful qualities of "Stainless"—sent free on request.

STAINLESS STEEL

Genuine Stainless Steel is manufactured only under the patents of the

AMERICAN STAINLESS STEEL COMPANY, COMMONWEALTH BUILDING, PITTSBURGH

When writing to AMERICAN STAINLESS STEEL COMPANY please mention Nation's Business

NECESSITY may be "the Mother of Invention"

but, in Business, her offspring are often the hurried results of Ignorance and Fear

Successful Business shapes its progress on *desirable* action rather than *necessary* procedure. Most plans, or actions, become *necessary* only when the *desirable* thing to do has been overlooked, or too long delayed. And while stark *necessity*, fear of failure, or loss of prestige, often stirs the mental and physical forces of a business into "inventive" action; such action is probably only something competitors with vision and foresight have been doing all along—the *desirable* thing to do.

On this simple practice of knowing what is *the desirable*—and *doing* it before it becomes a necessity—the new and modern Accounting is based. Detailed Audits, Market Analyses, Budgeting, Standard Costs, Uniform Systems for Associations—are only some of its ripened fruits.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

NEW YORK	CLEVELAND	DETROIT	CHICAGO	NEW ORLEANS
PHILADELPHIA	AKRON	GRAND RAPIDS	MILWAUKEE	JACKSON
BOSTON	CANTON	KALAMAZOO	MINNEAPOLIS	DALLAS
PROVIDENCE	COLUMBUS	PITTSBURGH	ST. PAUL	FORT WORTH
BALTIMORE	YOUNGSTOWN	WHEELING	INDIANAPOLIS	HOUSTON
RICHMOND	TOLEDO	ERIE	DAVENPORT	SAN ANTONIO
WINSTON-SALEM	CINCINNATI	LOUISVILLE	ST. LOUIS	WACO
WASHINGTON	DAYTON	ATLANTA	KANSAS CITY	DENVER
BUFFALO	MEMPHIS	MIAMI	OMAHA	SAN FRANCISCO
ROCHESTER		TAMPA		LOS ANGELES

If You Are a Retail Merchant

you will want to accept the help offered you by the Domestic Distribution Department of the United States Chamber of Commerce in these four pamphlets:

1. Group Efforts by Merchants for Promoting Trade.
2. Merchants' Institutes.
3. Educational Courses for Retail Sales People.
4. Special Sales Events.

The price is 15 cents for Number 1, and 10 cents for each of the others—or 40 cents for the set.

Department of Domestic Distribution

U. S. CHAMBER OF COMMERCE

Washington, D. C.

that point was completely determined the bait makers began to see production and sales keeping pace, and today the artificial bait industry is a sizable one and the game fish population is steadily decreasing.

Prior to 1917 Bias and Prejudice had it all their own way about wrist watches. The man who wore one was an object of ridicule; it was considered as being feminine and the ardent vaudevillians cracked many a pun at the expense of the individual who wore a watch strapped to his wrist. Then a few odd million of us joined the Army, and one of the first things we discovered was that the uniforms contained no watch pocket. Some of us improvised a watch pocket in our breeches, and the first time we were taken out in extended order formation the casualties among watch crystals was terrific. Then and there the wrist watch attained dignity and its general utility was established firmly. Today most of us still wear wrist watches and find them convenient. Bias and Prejudice lost that fight because of the World War—but they lost, just the same.

Inertia Opposing Change

WHEN self-starters were first put on motor cars they were not received with loud and sustained vocal approval. I find on examination of an old motor trade magazine that not a few writers claimed the new accessory would only add to the complication of the electrical units of the automobile and would probably prove very troublesome.

Bias and Prejudice are still on the job. They may be defeated, but they can never be completely eliminated from the running. As soon as they are whipped in one engagement they turn their energy to another subject. Just take the matter of tooth brushes, for example; with all the tooth brush advertising, with the dentifrice advertising, with all the educational work done by public schools and public welfare workers one might well believe that a child is born with a tooth brush in its hand and uses said brush (or its successors) daily until the undertaker steps in and does his stuff. Yet such is not the case! It is stated on excellent authority that about one person in twenty owns and uses a tooth brush. I suspect that somewhere in the background Bias and Prejudice are chuckling softly. Meantime our dentists are prospering mightily. For your own enlightenment pick up your directory and see how many dentists are practicing in your city; the proportion according to the population may be a bit of a surprise to you.

Bias vs. Business! It has been a battle that has been carried on since the beginning of commercial history. When Earth's last picture is painted, when the last invoice is drawn up, and when the final trial balance is struck that battle will still be raging.

Through it all, however, Bias and Prejudice have lost out—their batting average, year after year, is showing a marked decrease. Yet they come to bat, swinging every bat in the bag, looking ferociously at the pitcher, scowling violently, and making all of the Babe Ruth motions.

The devil of it is you never know when they are going to hammer out a home run!



Cleopatra's boy friend certainly got service when he had something to say.

BUT Marc lived almost 2,000 years ago . . . before the telephone and office switchboard were invented.

Try to get somebody's ear today, and half the time you get the "busy signal" instead.

That's because the office switchboard is continually tied up with inter-office calls.

When you want to talk to Currier, the Sales Manager, he is connected with Healy in the Advertising Department . . . and when Harris, over at the First National Bank, wants to talk to you, you're connected with Grange, your Production Chief.

Everybody waits, everybody loses time and patience.

The Dictograph remedies this exasperating situation

by affording a swift and sure means of inter-office communication that leaves your switchboard free to perform its major function—taking care of the outside calls.

Write to the DICTOGRAPH PRODUCTS CORPORATION, 220 West 42nd Street, New York, or to any of our branches or agencies, located in principal cities, for a demonstration of the

DICTOGRAPH SYSTEM OF INTERIOR TELEPHONES

Get your man..no waiting..no walking



Dictograph
MASTER STATION

Send me a copy of your booklet,
"YOUR BUSINESS AT YOUR FINGER TIPS"

Name _____

Address _____



A metal window that
is air and dust tight
and will not rust.

RUST-PROOF

Old Man Rust with his
ever-active organization,
fails in his attack on
Kawneer Nickel Silver
Windows.



United States Mortgage Bond Co., Ltd., Detroit, Mich.
Harry S. Angell, Architect

KAWNEER SOLID NICKEL SILVER WINDOWS WILL NOT RUST

MORE insistent is growing the demand for permanent materials used in the construction of better buildings. No longer should the owner or architect be satisfied with any unit of construction which is not the most permanent available. Repair and maintenance as far as possible must be eliminated.

Kawneer Rustless Windows, casement and double hung types, fill the need. They are permanent (require no painting) weather tight and dust proof—suitable for all types of buildings, including residences.

THE
Kawneer
COMPANY

1219 Front St. Niles, Michigan



Over 300,000 Now in Use

I am interested in Kawneer Nickel Silver Windows.
Without obligation send portfolio and miniature demonstrator.

Name.....

Address.....

The Boss Who Could Delegate

OF ALL THE comments of Lincoln on his generals the most famous, of course, is that which he addressed to a complainer about Grant's drinking. In his "I wish some of my other generals would find Grant's brand," he gave the nation a bit of laughter that has survived even Volstead days.

But there is another bit of comment hidden away in the memoirs of A. K. McClure, an editorial friend of Lincoln, that probably meant more to the nation. It referred again to General Grant and dealt with this growing modern problem of delegating authority—and leaving it delegated along with the power to carry on for the end sought.

Grant, it must be noted, was not in the reigning hierarchy of the Army when he struck his first decisive blow. He had to report the capture of Fort Donelson to two superiors, Halleck and McClellan. And both fell on him as the wolf of the mountains falls upon a rabbit. They ran him ragged with charges of insubordination, gave him peremptory orders to fire in several bales of statistics, then removed him from command without finding out first that a disloyal telegraph operator had run off to the South with their orders in lieu of delivering them. Grant found himself well done under by bureaucracy. Unless rescued from above he would have been a one-battle general with a final military contact in the form of a message from McClellan to Halleck authorizing his arrest as well as his removal from command, if Halleck concurred in the thought that it would be good medicine.

A Soldier Who Fought

MCCLURE joined the parade to the White House of hysterical men who thought Grant must be done under. Lincoln listened to him until after midnight and then drawled in his Hoosier style, "McClure, I can't spare Grant, he fights."

Halleck rushed to the field in person to assume personal command of what Grant had won. Bureaucrats are that way with subordinates. A military order from Headquarters arrived on the field endorsing Halleck in this move; but to it was appended a queer message, perhaps the queerest ever issued in the history of armies and military orders.

Halleck might advance as commander, but he must take along U. S. Grant as "second in command." Grant knew there was no such animal as "second in command." Without troops or power to issue a single order, Grant cooled his heels for three weeks until he was ready to resign. He talked of resigning with Sherman. But just then came an urgent call from the boss. He must see Halleck at the White House, and Halleck had better come in at once leaving Grant first in command. Lincoln had saved Grant by that queerest of all military orders, and from then to the end of the war Grant never lacked either delegated power or authority. The result, of course, was a crescendo succession of Vicksburg, Nashville, Missionary Ridge, Atlanta, Savannah, Winchester and Appomattox.

Grant tells us that during the whole war Halleck never once said "Yes" to any proposal he forwarded. Grant never said "No" to anything Sherman ever recommended or Sheridan. And in just that way—by yessing a subordinate—Grant brought us the March to the Sea, Sheridan's great march around Lee's Army, and Winchester.

As the Middle West Thinks

By Elmer Murphy

WHAT AN outstanding national economic problem is, as any member of Congress or political platform-maker will testify, depends upon how you look at it. A carbuncle on the neck of New England is an inconsequential boil to the Californian. A bad case of arterio-sclerosis in the corn belt looks like a case of jangled nerves to the cotton belt. What is a major affliction in the northwest is a petty indisposition to the southeast.

It is no small matter to diagnose a national ailment. But a bad state of national health manifests itself in local symptoms and, whether it calls for a local remedy or for general treatment, the starting point is the same.

Pursuing this method, the middle west made a diagnosis of its own case at the Mid-Year Meeting of the Northern Central Division of the Chamber of Commerce of the United States at Chicago, January 20 and 21.

What symptoms demanded attention was not arbitrarily decided. An inquiry was sent to business organizations and individual business men in the twelve states comprising, roughly, the Upper Mississippi Basin—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. Four hundred and thirty organizations and approximately 500 business men, whose fingers are constantly on the economic pulse, directed attention to a wide variety of conditions regarded significant.

The responses to this inquiry disclosed the fact that business in the middle west was thinking very seriously about certain things, some of which pointed to the conclusion that this great sweep of inland empire has reached the point in its development at which its economic relationship to the country as a whole needs readjustment.

Outstanding Problems

THE three outstanding economic questions disclosed by this method of approach were agriculture, waterways and freight rates in larger perspective, farming and transportation.

The first of these was considered at the Chicago meeting not as a controversial question or a problem of the moment but as a matter of adjusting agriculture to the fundamental practices of producing and distributing which are coming to prevail throughout the business and industrial world. It was examined from four different angles—the banker, the agricultural engineer, the agricultural editor, and the agricultural economist. The banker was Roy Young, Governor of the Federal Reserve Bank of Minneapolis; the engineer was Arthur Huntington, of the Iowa Railway and Light Corporation of Cedar Rapids, Iowa; the editor was Samuel R. McKelvie, former Governor of Nebraska; and the economist was Dr. B. H. Hibbard, of the University of Wisconsin.

It was obvious from the discussion that

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Improve Products Increase Profits

WHEN the process calls for drying of bulk materials engineering comes first, then the right dryer.

Louisville Drying Engineers have proved the soundness of this policy in more than fifty industries. And in nearly forty years they have solved over a thousand drying problems.

Example—fertilizer materials. In this industry the services of L. D. E. increased output, improved the product so that it commanded a higher price, and in addition production costs were lowered.

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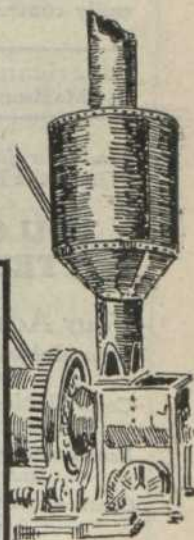
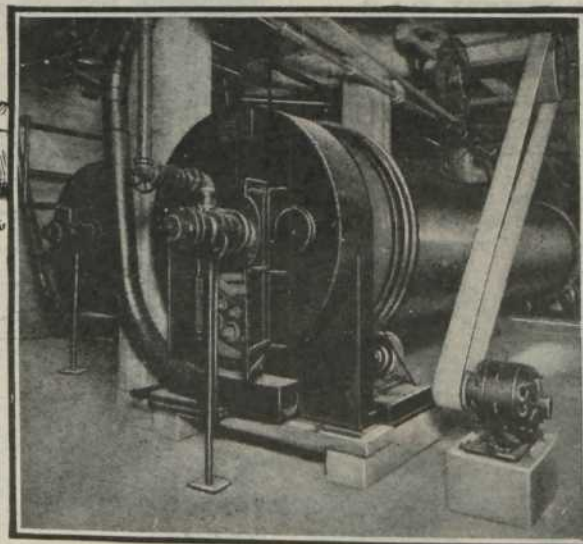
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not only these four but the majority of the accredited delegates, representing upward of 100 middle western chambers of commerce and half again as many trade organizations, were viewing agriculture not as an isolated farming question but as a part of the picture of American economic development, measuring it by the economic standards applicable to industry, to banking and to transportation.

The significant conclusion to be drawn from the discussion was not that agriculture was depressed but that its tendency toward depression was long-standing, almost chronic; that it had already begun to adjust itself to these standards; that what it needed most was not a temporary stimulant but a general overhauling which would put it upon the way to complete recovery.

It was evident that business in the middle west was more concerned with accomplishing a cure than with suppressing the disturbing symptoms.

Flying Land Values

THE idea found expression in many ways that agriculture had been chasing the will-o'-the-wisp of increasing land values instead of holding to the hard rule of production, profit and loss that rules in the industrial and business world. It was expressed by Mr. Huntington in this way:

The agricultural west was the outgrowth of the readjustment period after the Civil War. The country developed naturally along lines that fitted in with the standards and views of the people, and fitted in with the standards of the industrial east only as conditions demanded. The west set up a financial system based upon the land as security. As the western country was being settled, land values

were constantly on the increase, until after a few years this increase became the dominant factor both in agriculture and finance.

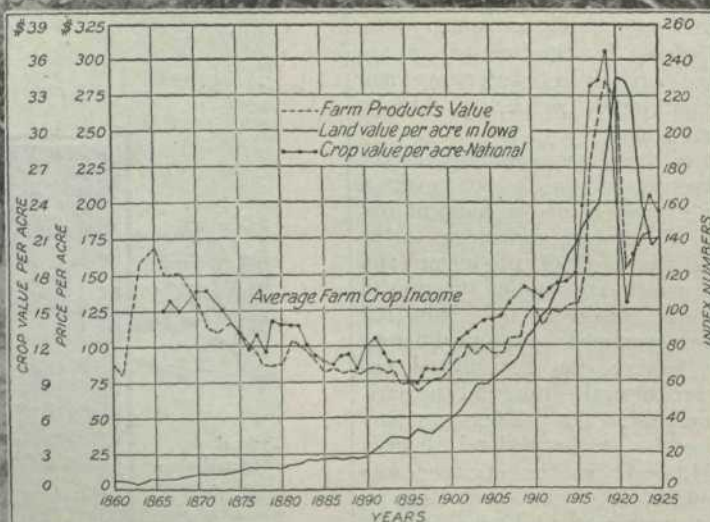
Referring to the accompanying chart, you will note, beginning with 1860, land values were constantly on the increase. In fact the increase is about 100 per cent each 8 1/3 years over a period of 70 years, and over that entire period, the increase has had little relation to land returns. Taking three places on the land value curve and comparing it with the crop value curve, you will note that in 1870 Iowa land was selling for about \$9 per acre, while the national average return per crop acre was about \$17.50. Twenty-five years later the crop value had fallen to less than \$9, yet the land sales made at that time show about \$35. In 1912, when \$100 land arrived in Iowa, the income per cropped land was almost exactly the same as when land was selling for \$9 the acre.

About this time you could find in almost any bank in the corn belt a sign reading about as follows: "The best security on earth is the earth itself, and right here is the best part of the earth."

Inflated land values in Iowa were not influenced a great deal by the war prices for farm products, as the inflation was well under way long before the war was thought of, although it must be admitted the war had a marked influence on its progress during the period after 1917.

Agriculture, which to many is a mode of living, was attempting to do business according to the speculators' standards of "bull the price." It was accepting the standards of the business and the industrial worlds of finance without first adopting the profit system of handling its debts. It was accepting itself as rich in selling value, whereas it was poor in earning power. It was accepting standards of living that go with large incomes when its income was small per individual.

Static agriculture, the mode of living, has





Industry's Biggest "Little Thing"

Gone are the mazes of belts and shafts that made jungles of our factories. Gone—or going—is the day of hand-power in household and industrial tasks.

Individual electric motors, fractional horsepower motors, have come into their own—the biggest "little thing" in business—speeding up processes, cutting costs, increasing output, banishing irksome domestic duties, extending the benefits of time and labor-saving appliances to more millions every year.

In opening up new and profitable fields for manu-

facturers and dealers, to the benefit of the public, Domestic Electric motors have rendered a unique and spectacular service. Every Domestic motor is specifically engineered and built for the purpose it is to serve; every Domestic motor is a special motor; every Domestic representative is a consulting expert—without the expected price penalty. Details of a service and policy exclusive to this company will interest every builder and distributor of electrical appliances.

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Keep the Job Moving with McCaskey Systems

Taking "kinks" out of factory production—keeping jobs moving—machines busy, labor distributed—preventing waste and keeping an accurate check on tools are some of the many services of McCaskey Systems of industrial control.

With McCaskey Systems every job in the plant is under instant supervision—the whole history told at a glance. The time when the job was started—where it is now—when it should be completed. Slack time is eliminated—production schedules are evened up—costs are known definitely.

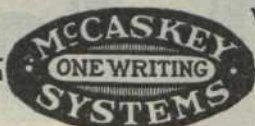
McCaskey Systems also prevent valuable tools being lost, mislaid or "appropriated," as is often the case with "brass check systems." The activity of every tool is recorded—who has it—how long out—how many and what kinds of tools are in the hands of every worker. Needless idle tools are revealed—overhead in tool equipment may be reduced to the minimum needed. In many plants the reduction in tool investment alone returns many times the cost of the McCaskey System.

McCaskey "ONE Writing" Systems Provide

Perpetual Inventory—Single and Dual Control—Production Control—Machine Control—Process Inventory—Cost and Payroll Records—Order Control Planning, Routing and Dispatching, Tool Check and Tool Investment Control, in Steel Plants—Metal Products Plants—Wood Products Plants—Automotive Products Plants—Paper Products Plants—Clothing Products Plants—Boards of Education—Shoe Manufacturers—Etc.

A request on your letterhead will bring definite information as to what McCaskey Systems are doing in your industry.

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taken a plunge into the industrial and financial world without analyzing itself to see how it fitted into the picture. It accepted the practices of the business and industrial world without analyzing to see if they were suited to the practices of agriculture.

Business and industry accepted agriculture as a customer and an ally without analyzing it to see if it fitted in with their method of operating.

Finance accepted agriculture on its appraised valuation without even inquiring into its earnings, and at the present time holds a large part of our agricultural wealth with only a slight knowledge of its ability to pay from its earnings.

Now the question of agricultural relief is a national problem affecting industry, business and finance, which in turn has always a very stimulating effect upon the activities of the politician.

The same idea, from another viewpoint, was expressed by Governor Young, who said:

More real experience has been crowded into the northwest in the last six years than at any other time in our history. It is well to review what some of these experiences have taught us.

1. Disparity of price is not alone responsible for the position of agriculture. The elements, the one-crop idea, the indiscriminate extension of credits and other factors have something to do with the situation.

2. Abandoned land is largely represented by marginal land, and much of the marginal land has reverted back to range land, a use for which it is best suited.

Land values, in the last analysis, are determined by what your experienced farmers are willing to pay for them, and in no other way that I know of.

Amateurs Have Failures

FAILURES in agriculture are confined largely to those who are not farmers but try to be farmers. Failures in banking are confined largely to those who are not bankers but try to be bankers. Bankers have learned that equities in land are not desirable methods of extending credit.

Former Governor McKelvie also held to the principle that the farm was worth not what the land might sell for but what it would earn—a vastly different thing. "Therefore," he added, "in order to give our land the very best value and bring it into line with other avenues of effort, industrial, particularly, I would 'factoryize' the farm, meaning thereby to bring about greater efficiency in production and distribution and control of output."

It was the consensus of the meeting, as expressed in the formal resolution on the subject, that

American agriculture, in common with industry and labor, should have the safeguards which will permit the broadest possible development of its American markets, to the end that it may receive the full value of the products which it supplies to those markets.

Entertaining these views, we ask the Chamber to urge the enactment of legislation by Congress which will aid in orderly marketing and in the control and disposing of the surplus of agricultural commodities.

A problem which seemed to many large and more intricate was propounded in the discussion of transportation—waterways and freight rates. It was evident that the middle west is acutely conscious of the fact that because of natural condi-

McCaskey Systems keep constant records of 7000 items for the Hupp Motor Car Corporation

October 25th, 1926

One of the best investments made by the Hupp Motor Car Corporation was when we installed the McCaskey Register Control System in all of our Tool Cribs, about four years ago.

Prior to this time our Jackson, Michigan Plant, had tried out this system of Tool Control and found it vastly superior to any other which up to that time had been brought to their attention.

Besides protection against loss of tools, we have the additional advantage of having a perpetual inventory, knowing exactly at all times just what our stock of each individual tool is.

It is a big money saver figured from any angle, simple to operate, and has solved one of our biggest shop problems. It is a proven system and without reserve it has our highest recommendation.

Yours very truly,
HUPP MOTOR CAR CORP.
W. S. Graham

Thirteen *Unseen* Helpers at the Command of every Man in Industry

How well they serve in your plant depends on your choice of Motor Control

In any plant today, electric motors do the work of a huge *unseen* army. On the average, throughout industry, they put the equivalent of thirteen helpers at the command of every man employed.

Picture, then, the need for careful choice of Motor Control! Thirteen times the man power of any plant is far too important a factor to be carelessly employed.

When you install motors, you merely put this army of *unseen* workers at their posts of duty. What they do in action—how much they speed production, how much they improve workmanship and bring down costs—this all depends on how completely your Motor Control puts their efforts at the command of your men.

Check your machines *now* to make sure Motor Control has been selected to meet the production problems in hand. In the purchase of new machinery, in which motors and control are furnished by the machine builder, demand C-H Control. The C-H trade-mark on ALL your Motor Control is your best assurance of efficient, dependable production.

Cutler-Hammer engineers are ready to co-operate with your plant men or consulting engineers in making a survey of your plant to see that Motor Control is correctly chosen for every drive. More than 30 years' experience supports their recommendations and this service entails no obligation or expense on your part.

The CUTLER-HAMMER Mfg. Co.
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For the more common motor applications, Cutler-Hammer engineers offer a standardized line of Motor Control apparatus. What each type does, and how it can be used, is fully described in the C-H Catalog, which plant men use for ready reference. Thus the C-H trade-mark, wherever it appears, means the control has been properly chosen to fit the job in hand.

An example of such apparatus is the C-H 9586 A. C. Automatic Starter illustrated—one of the series of C-H "across-the-line" or "X" Starters. These provide for push button starting and stopping of motors and are fully enclosed for safety. They protect motors against dangerous overloads, but are so designed that production is not halted by momentary current surges. These starters are great time, power and equipment savers and find scores of uses in any plant. Four pages in the C-H Catalog tell your plant men how, when and where they should be used.



This booklet, "Industry's Electrical Progress" is based on the field reports of Cutler-Hammer engineers. Stories of savings every man in industry can enjoy reading! Write for your copy. Sent without charge or obligation.

Report 2626—In this plant, the planer drive changes recommended by Cutler-Hammer engineers resulted in substantial savings and in increased production. With the C-H controlled motor drives as now used, the operators earn 33% more per week although the piece rate has been cut 25%.

Report 1317—In this textile plant, by utilizing the correct type of C-H Automatic Controller, Cutler-Hammer engineers made it possible to dispense with one of the two motors on each ribbon printing machine and still obtain the desired slow threading-in speeds and the fast, adjustable running speeds.

Report 3117—In the bull towers of this Eastern boiler works, the operation of the heavy duty cranes feeding the riveting machines was slow and uncertain. The general manager of the plant reports: "About 6 years ago the Cutler-Hammer Co., in co-operation with our engineers worked out an automatic control system for these cranes that enables the riveter on each platform to control the crane himself by use of a drum type controller and push buttons.

"Besides saving the time of one crane operator, amounting to \$1,500 a year, the automatic controls have speeded up production in the bulls fully 25%. The riveters operate the crane themselves in the time formerly necessary to signal to the crane operator and place the work more exactly than was possible before. In labor alone this C-H Motor Control has long ago paid for itself.



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The electric motors of industry today,
totaling about 29,000,000 horsepower,
represent the working capacity of
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Nation's Business will tell you in a series of articles by William P. Helm, beginning in an early issue.



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ONE square mile of land is required every month to provide for Detroit's growth in population and industry.

Fortunes are being made in Detroit real estate. The investor has exceptional opportunity here. Yet Detroit has only started its career as a great commercial and industrial center.

You will enjoy this wonderfully illustrated book about Detroit and Dearborn—the center of Greater Detroit's west side, where Henry Ford has built the world's largest single industry.

You should have this book!

Wanted—State Managers. Men of character and standing. Big opportunity for men who qualify.

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GLOVER WATSON ORGANIZATION INC.**
WE SELL THE LEADERSHIP

WASHINGTON BLVD. BLDG., DETROIT, U. S. A.

tions, the wide stretch of mountain and plain, it is hedged in from the sea and the open highways of international and, to some extent, even of domestic commerce. Both its agriculture and its industries are clamoring for them. This situation has been made more acute by the opening of the Panama Canal, which has had the effect of bringing the Atlantic and Pacific coasts closer together but, at the same time, has made relatively more formidable the barriers shutting in this great inland territory.

The predicament of the middle west was portrayed by William R. Dawes, president of the Chicago Association of Commerce, who said:

We do not deny to the seaport cities any of their natural advantages which come by their location upon the coasts. It is perfectly proper for the coast cities to take every advantage that it is fair that they should take in developing their business by the use of the Panama Canal which, we all admit, is a great national asset. But in the building up of this country it is unwise that we should build up a great commercial, industrial part of the country on the two coasts. This is what is happening under the present operation of the Panama Canal and in the action of the Interstate Commerce Commission in denying our railroads fourth section relief.

Our railroads are confined to the certain definite routes which they have to follow. A ship goeth where she listeth. We cannot have a country here which is prosperous, which will do all the things which the nation has a right to expect it to do, unless we have a development and an expansion which is, in a sense, uniform and which is going on evenly and fairly all over the country.

It was the general opinion that the natural advantage due to proximity to the seaboard cannot be counterbalanced. Nevertheless it was held to be sound national policy to make every effort to supply the interior with reasonable artificial advantage to enable it to develop at something of the same pace with the seaboard regions.

Freight Rates to Cure Business

THE adjustment of freight rates along sound lines that will stimulate the shipment of agricultural products to world markets was advocated by J. R. Howard, former president of the American Farm Bureau Federation. D. F. Lyons, general counsel for the Northern Pacific Railroad, told how the Panama Canal had cut off the middle western producer and manufacturer from the Pacific coast market and how the railroads were forced to haul back to the coast trains of empty cars because rates could not be so adjusted as to enable them to secure the freight with which to load them.

In addition to the adaptation of freight schedules with an eye to the situation in which the middle west finds itself, the meeting just as strongly urged that ocean-going commerce be brought to its doorstep through the Great Lakes and an egress to the Gulf afforded through the Mississippi waterway. It declared:

Conditions over which we have no control have resulted in such increases in rates for transportation by rail, and conditions following the opening of the Panama Canal have placed the mid-west at such a competitive disadvantage in markets to which it formerly enjoyed access, that this region urgently requires for its well-being that the

existing projects for waterway improvement in the Mississippi Valley should be carried through to completion at the earliest possible moment, and that provision should be made to assure adequate utilization of these waterways when they are completed.

In this manner access will be given to the Gulf. The same considerations require that, through waterway development and improvement, this division should be given access to the Atlantic seaboard by way of the Lakes and the St. Lawrence.

Flashes from the Northern Central Meet

ROY A. YOUNG: In Minnesota alone the little red hen produces annually sixty millions of dollars, or twice the amount of our wheat crop, which is now only thirty millions.

The farmer today can travel 50 or 60 miles to do his banking business, when in the old days, with the horse and buggy, it was not practicable for him to travel more than 6 or 8 miles to get the same service. The banks in the smaller communities are losing deposits continuously, while those in the larger communities are growing, and growing steadily.

* * *

ARTHUR HUNTINGTON: Some years ago California was asking for a tariff on rice, claiming the labor in China was so cheap that she must have protection. I was in California in July of last year. We saw much rice and much of the labor was oriental, paid \$6 a day and found, the equivalent of \$8. The market for this rice is China and Japan. The Chinese Agricultural Association has a commission in San Francisco protesting against Americans flooding China with cheap rice.

* * *

FORMER GOVERNOR MCKELVIE: The Department of Agriculture reported a little more than a year ago that, out of 25,000,000 cows in this country, 8,000,000 were not paying their board. Now the company of a cow is not so bad, but it is hardly worth that price.

* * *

DR. HIBBARD: The real difficulty of agriculture has grown out of the prosperity of the nation. That is because agriculture has become commercialized. The farmer gets his living out of the farm, but, in terms of cash, he gets about 40 per cent of his living. The other 60 per cent he buys just the same as the rest of us do, with the same sort of money.

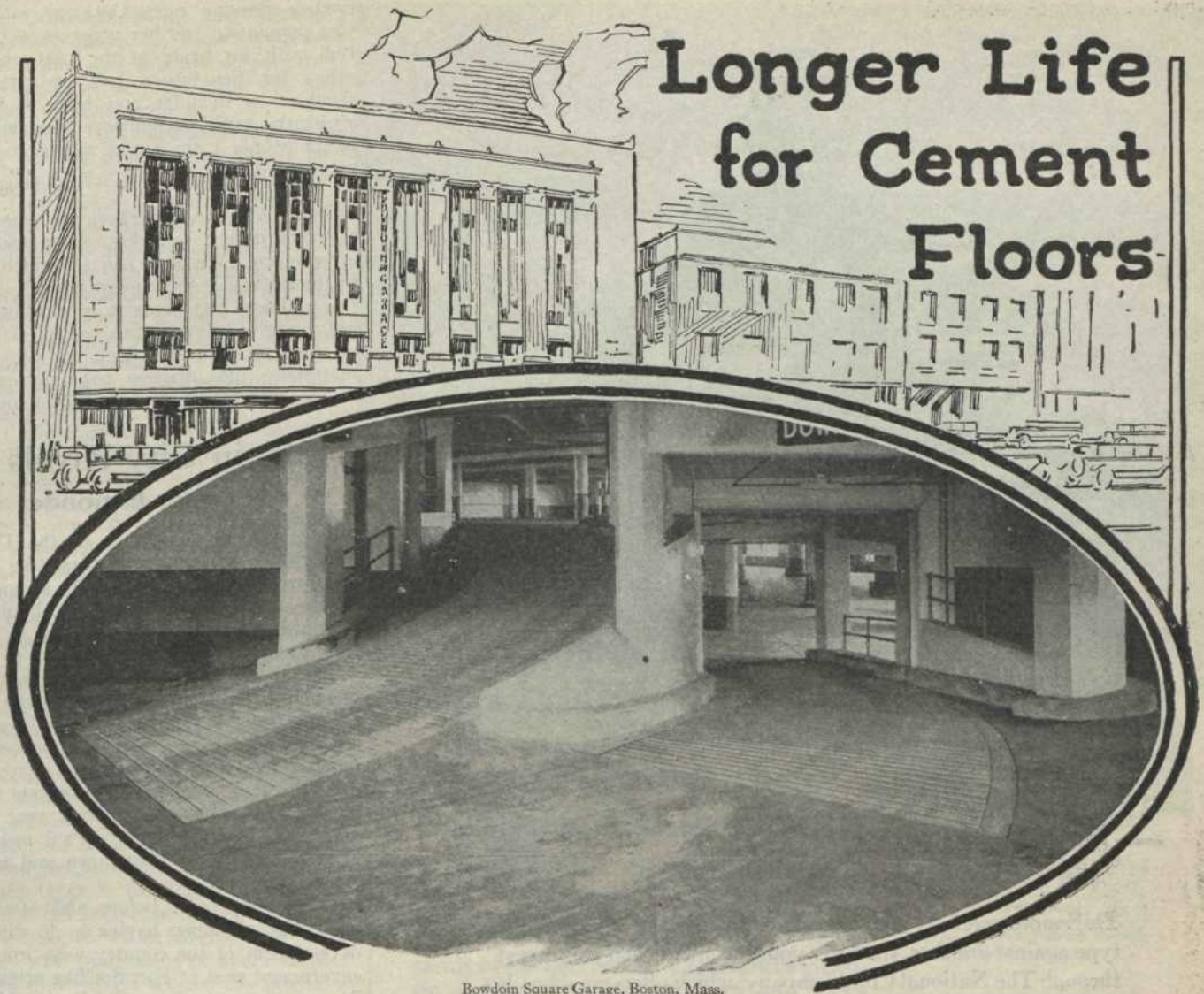
* * *

DR. HIBBARD: The American farmer has produced a surplus of food ever since the starvation days of 1609-10. For more than three hundred years we have had a food surplus.

A lot of my farmer friends say: "There is only one remedy. Let's vote for it." I offer the case of the veterinary who was called out to see a sick horse. He looked at the horse and said to the owner: "Have you done anything for him?" He said: "Yes." "What did you do?" "Gave him a pint of turpentine." "What did you do that for?" "Well," the owner said, "it was the only medicine I had."

* * *

SIR ARTHUR SHIRLEY BENN: If the great



Bowdoin Square Garage, Boston, Mass.
Ralph Harrington Doane, Architect
Chase & Gilbert, General Contractors

THE ramps in this garage—one of Boston's newest and finest—have been made both slip-proof and durable by using Alundum Aggregates in the cement. And the slip-proof feature is not affected by water and oil. The aggregates have also been used in the treads of the main stairway.

Alundum Aggregates are a semi-vitreous product made by bonding hard, tough Alundum abrasive with clay. Their slightly porous structure causes them to bond perfectly with cement, becoming an integral and permanent part of the floor. The result is a walking and trucking surface that combines exceptional resistance to wear with slip-proof effectiveness.

Alundum Cement Floor [C.F.] Aggregates are marketed in two sizes—the coarse (.295"—.100") for the finish course or topping and the fine (.100"—.0322") for surface treatment only.

Alundum Aggregates for terrazzo floors are marketed in four sizes and five colors.

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When You Are Asked to Speak on a Business Subject—

Then is when it is sometimes hard to get together quickly a colorful picture of the facts. It is almost a certainty that NATION'S BUSINESS has, during the past year, discussed the subject, not once but many times.

All of the past year's NATION'S BUSINESS articles and comments with their page references are listed in the 1926 NATION'S BUSINESS INDEX, now ready. A copy will be sent to you free for the asking.

NATION'S BUSINESS, Washington, D. C.

English-speaking races, America with her vast population and her progress and John Bull with his pride in the past and his vision for the future, can just link up shoulder to shoulder and help to reconstruct the world, to improve the condition of the people, I am sure it will be good for everyone of us.

* * *

JOHN W. O'LEARY: There are those who try very hard to develop strong sectional antagonism. We have had too much of it in the history of the United States. It has taken almost fifty years to break down the antagonism between two great divisions of the United States which has prevented materially the progress not only of the divisions affected but of the whole country.

Twin City Rivals

By James Esmonde

WHILE all that part of the United States known vaguely as "the great northwest" looked on in wonder, a thousand prominent Minneapolis and St. Paul men sat down recently to fraternize at a "good will" dinner.

The Twin Cities, Minnie and Paul—the quarreling twins of song and story, embracing and complimenting, and pledging loyalty to each other—it was almost too much to believe, but it was true. Five hundred St. Paul men were the guests of as many Minneapolis men, and a year from now, it is planned, the St. Paul men will have the dinner in their town and return the compliment.

In the days just before and after the Civil War, all things having to do with the development of the country west from the government post at Fort Snelling originated in and centered about St. Paul. Minneapolis, the bigger twin, was a later comer, and for long there were several competitors for precedence. In a legislative session about 1858, following the admission of Minnesota to statehood, the three big plums were handed out, St. Paul being given the capital, Minneapolis the state university, and Stillwater, then an important lumber producing point, the state prison. Later came railroad construction westward and development of distributive trade, causing St. Paul to grow in wealth and population, and lumber production and flour milling to make Minneapolis.

Bitter was the rivalry. In a census contest some decades back, the Federal Government found gross fraud, and arrests were made. Multitudes of non-existent people had been jammed into the census reports. Many were the recriminations. Pot called kettle black and kettle gave it back to pot. Pages of words could not tell in full the story of the rivalry of twenty-five years of expositions, ice palaces, fairs, new buildings two stories higher in one city than in the other and enormously exploited, names called, municipal back fence gossip and billingsgate in the newspapers—best say no more about it, for all is past and all is forgiven.

James J. Hill, railroad builder, the outstanding character in the northwest, lived in St. Paul; likewise the noted Archbishop, John Ireland; general offices of the Great

Northern, Northern Pacific and "Omaha" railroads were there. A large volume of wholesale trade was handled dating from trading-post days, and St. Paul was the capital, the political center.

Lumber, flour and miscellaneous manufacturing started Minneapolis, and it became the center for the grain trade, developing a "cash" wheat market rivaling that of Chicago. Two railroads, not so great as the others, but important nevertheless—the Soo line and the Minneapolis & St. Louis—made headquarters there, and the largest banks grew up to meet the heavy seasonal borrowing requirements of the grain and milling trades.

The last big fight occurred early in 1914. The Federal Reserve System was being organized. Committees from Minneapolis and St. Paul went to Chicago, where William G. McAdoo and the late David F. Houston held hearings. Great was the Minneapolis joy when the Ninth Reserve District was created with that city as center. Then St. Paul went after and got the Federal Land Bank and meanwhile had built a convention hall the like of which the rival could not boast, to which came William Howard Taft, Theodore Roosevelt, Sam Gompers and other notables. This measurably offset the Minneapolis Symphony Orchestra. It took the edge off the sharp sting felt by St. Paul when reference would be made by Minneapolis to the fact that once a national political convention had been held there at which James G. Blaine, the Plumed Knight, was defeated, and Benjamin Harrison was named to lead the G. O. P. to victory.

St. Paul developed an important livestock business of which Minneapolis had none, but, with the coming of motor transportation, Minneapolis became the automobile center.

New Competition Hits Twins

VIRTUALLY, this was the *status quo* when the president of one of the transcontinental railway lines with St. Paul general offices, speaking, at a dinner of traffic men in Minneapolis, on the Panama Canal and its effect, cited the specific instance of a Minneapolis manufacturer of structural steel who could not compete for a Seattle job against a manufacturer in Pennsylvania, who could get his product to the Atlantic seaboard, down to the Panama Canal and up to Seattle cheaper than it could be done from Minneapolis by straight rail to Seattle.

It was seen more clearly perhaps than ever before that here was a point of common interest and common defense for both Minneapolis and St. Paul, and that inland waterways transportation, about which, just at that time, Secretary Hoover had been making some strong statements, would be mutually beneficial and protective if made possible. Other developments served, in the last six months of 1926, to bring the cities closer together.

Shortly after that the good will dinner was proposed. Whatever may come of it, this much is certain—the two cities of the United States that have been most in competition and whose rivalries have been most heard of, today are more united than they ever were for their common interests.



Cleveland's great Public Auditorium. The Masterbuilt Floors in the balconies, for five years subjected to the shuffling grind of restless feet, are still as good as new.

National Conventions or Dairy Products

WHATEVER the type of traffic or usage, concrete floors can be made impervious to wear by Master Builders Method. The grinding shuffle of thousands of excited feet in Cleveland's gigantic auditorium, busy week in and week out with national conventions, political, commercial, industrial—crowded nightly at spectacles ranging from athletic contests to grand opera—requires one kind of wear-resisting, dust-proof, hardened concrete floor.

The Reid Ice Cream plant with floors subjected to the destructive action of lactic acids, constant moisture and the gouging movement of laden milk cans, requires another kind of hardened concrete floor. Yet Masterbuilt floors, produced by adapting the proper method and material to the condition imposed, have successfully withstood these conditions as well as those in thousands of other cases.

Scores of Masterbuilt floors installed 14 and 15 years ago are delivering today the same maintenance—free, uninterrupted service they did when installed.

To insure perfect results on your job skilled floor-laying specialists trained by us in the science of Masterbuilt Floor installation are now available. Write us for detailed information and "The Book of Masterbuilt Floors."

This Masterbuilt Floor was installed in the creamery of The Reid Ice Cream Co., Brooklyn, N. Y., to resist the destructive action of lactic acid, flowing water and heavy duty traffic by which ordinary concrete floors would soon be ruined.

Proved by Performance

Masterbuilt Floors in buildings of the following companies, in service from 10 to 15 years are picked at random from the thousands of Masterbuilt Floor installations which are giving conclusive proof of their serviceability under every conceivable traffic condition.

American Sign Company,
Kalamazoo, Mich.
Architects Building, New York City
Bush Terminal Exhibit Bldg.,
New York
Central Steel Co., Massillon, Ohio
City of Montreal, Harbor Sheds
H-O Cereal Co., Buffalo, N. Y.
Kansas City Wholesale Grocery Co.
Loose-Wiles Biscuit Co., New York
Municipal Dock, City of St. Louis
Niagara Falls Power Co.,
Niagara Falls, N. Y.
Packard Motor Car Co., Boston
Penna. R.R. Freight House, York, Pa.
Sebring Pottery Co., Sebring, Ohio
Snellenberg Warehouse, Phila., Pa.
Northwestern Terra Cotta Co.,
Chicago
Western Warehousing Co., Chicago

THE MASTER BUILDERS COMPANY

Sales Offices
In One Hundred Cities

CLEVELAND, OHIO

Factories at Cleveland
and Irvington, N. J.

The Duty of a Responsible Investment House

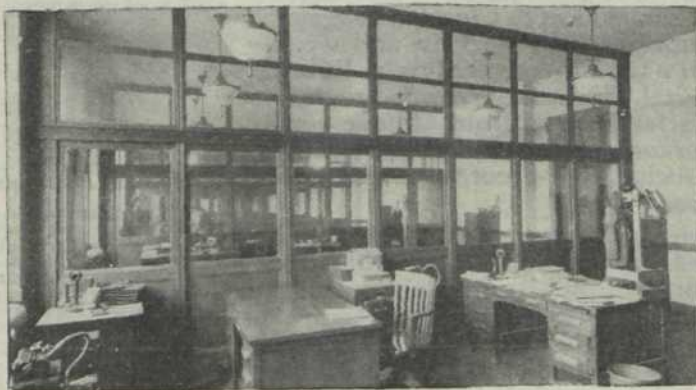
WE CONSIDER it the duty of a responsible investment house so to perfect its organization as to supply all types of investors with every facility for their convenience and furnish, on request, reliable facts upon which to exercise their own financial judgment in the choice of investments best suited to their requirements

Our organization and facilities are concisely outlined in our booklet, "*How We Aid Investors*," which will be sent you on request. Write for folder, N-3.

HORNBLOWER & WEEKS

ESTABLISHED 1888

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If Your Office Demands Would Never Change—

In the modern business office, where changes must be made—often and quickly—Circle A Partitions play a very necessary part.

These sectional, movable partitions are easily changed from one place to another. They can be quickly made to conform with new office requirements—with none of the muss or fuss of changing plaster walls.

CIRCLE A PRODUCTS CORPORATION • 658 South 25th Street, Newcastle, Indiana

In addition, the handsome rich woodwork of Circle A Partitions adds a long-lasting dignity to the office. This appearance is preserved, even though the partitions are moved or changed. If you would be interested in these practical office builders, send now for our new illustrated catalogue. It can show you the way to more satisfactory offices.

CIRCLE A PARTITIONS

As I Look Back

By Joseph T. Ryerson

President, Joseph T. Ryerson & Son, Inc.,
Chicago

DURING the early part of this year, there was published a most interesting book called "Our Times—The Turn of the Century" by Mark Sullivan. It is a bird's-eye view of this extraordinary era in the history of our country; the years 1900 to 1925. Read it and you cannot help being thrilled at the marvelous strides and tremendous progress made during this quarter of a century.

It seems incredible that so many extraordinary changes could have taken place in that short space of years. So I am taking the liberty of quoting directly here and there from his well-told story.

Let's go back now for a while to the years of 1900 and 1901 and cite some of the startling changes. Man's fight against disease and death really comes first in importance to the world. Medical progress between 1900 and 1925 shows that the average length of life today is 55 years, whereas in 1900 it was 49. In 1900 out of every 100,000 persons in the United States, 1,755 died, while 1921 this was reduced to 1,163.9, or a reduction of 34 per cent. These figures are due to advances in understanding of causes of disease, advances in sanitation and other agencies for the prevention of disease, the discovery of specific cures, advances in surgery, professional nursing, greater watchfulness in water supply, meat and milk inspection, better housing, and better conditions of living and labor.

Great Mechanical Progress

THE OUTSTANDING single achievement in the field of mechanical advance of the era is the perfection and widespread application of the internal combustion engine. In 1900, the average farmer had, besides his own muscles, the power of two or three horses. By 1925, practically every farmer had an auto of at least 20 horsepower. Many had tractors of 20 to 50 horsepower, gas engines of 2 to 10 horsepower, and electric connections with nearby generating plants giving them unlimited power. In 1900, there were less than 8,000 autos in the United States and in 1925 more than 17,000,000. In 1900, there were less than 10 miles of concrete road; in 1925, more than 20,000 miles. In 1900, there was one telephone for each 66 people, and in 1925, one for each seven people.

During this period both the North Pole and the South Pole were reached. By 1925, there was practically no portion of the earth unexplored. By airplane man achieved his ambition to fly; by the submarine, the capacity to remain under water and direct his movements there at will; by wireless he was enriched in his safety at sea. In 1900, there were no oil-burning locomotives, no vacuum cleaners, no self-starters, no electric stoves or electric irons, no fireless cookers, no disk phonographs.

Going back to the subject of automobiles a moment, listen to what the *Literary Digest* says in its issue of October 14, 1899. "The ordinary horseless carriage is at present a luxury for the wealthy, and although its price will probably fall in the future, it will never, of course, come into as common use as the bicycle."

On the streets of Chicago in September, 1892, appeared a strange vehicle. "Ever since its arrival," said a contemporary account, "the sight of a well-loaded carriage moving along the streets at a spanking pace with no horses in front and apparently with

nothing on board to give it motion, was a sight that has been too much even for the wide-awake Chicagoan. It is most amusing to see the crowd gather whenever the vehicle appears. So great has been the curiosity that the owner when passing through the business section has had to appeal to the police to aid him in clearing the way."

Now consider for a moment the wonderful development of the airplane. It was only in 1903 that the first successful flight in the history of the world took place. This was made by the Wright brothers in North Carolina. Now we have the development of the air mail, the flight over the North Pole, across the ocean, and the constantly increasing use in industrial and passenger service. And yet, in 1903, such a prominent man as Simon Newcomb, astronomer at the United States Naval Observatory at Washington, had this to say in the *Independent Magazine*:

Impossibility of Flight!

"THE EXAMPLE of the bird does not prove that man can fly. There are many problems which have fascinated mankind since civilization began, which we have made little or no advance in solving. May not our mechanicians be ultimately forced to admit that aerial flight is one of that great class of problems with which man can never cope, and give up all attempts to grapple with it? Imagine the proud possessor of the aeroplane darting through the air at a speed of several hundred feet per second! It is speed alone that sustains him. How is he ever going to stop?"

In 1900, there was no such thing as radio and not for 20 years. In 1920, there were 5,000 receiving sets in the United States and in 1924 approximately 2,500,000 sets. In dollars this business shows these most startling figures: 1920—2 million; 1921—5 million; 1922—60 million; 1923—120 million; and 1924—325 million.

The railroads carried in 1920 1,101,000 tons, and in 1922 it was 1,974,000 tons. In 1900, the fast mail New York to San Francisco was 102 hours by train and in 1924 mail was carried in a test in 27 hours by aeroplane.

In 1900, 185,000 persons were served by rural post and in 1924, 6,500,000.

In 1900, the total postal receipts were \$102,354,000, and in 1923 almost \$533,000,000.

I heard recently a story pertinent to the extraordinary advancement in science and particularly transportation in these modern times. "A Chicago business man was traveling on the Twentieth Century from Chicago to New York. He sat up rather late in the club car reading, and as the train pulled into the yards at Buffalo, he got off to walk up and down a few moments and get some fresh air before turning in. While doing this and smoking a cigaret, he watched the westbound Century from New York pulling in alongside of him. Much to his surprise a very good friend of his stepped off the New York train and apparently with the same idea in mind, walked up and down smoking a cigaret. When the two men met and greeted each other they talked for a few moments until someone yelled "all aboard." As our friend from Chicago tells the story, fearing they would be left, they immediately jumped on board and went to the club car. Sitting there smoking a last cigar before turning in, one turned to the other and said, "You don't realize the age we are living in—the tremendous advance that has taken place in the last few years in science, mechanical inventions, and particularly the transportation facilities. Stop for a minute and think where we are—you and I sitting here talking this over and enjoying our cigars—you are bound for Chicago and I am bound for New York and yet we are both on the same train."



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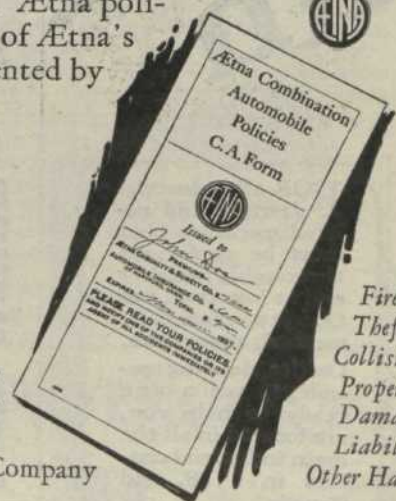
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of Hartford, Connecticut
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This Spring!

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It Pays To Own a Spray Painting Outfit

Business Becomes More Christian

By Dr. Roy L. Smith

Pastor of Simpson Methodist Church,
Minneapolis, Minn.

A FEW CENTURIES ago the soldier dominated life. He was the "prominent citizen"; the "leading layman." He ruled the world, wrote the laws, built the cities, and determined international relations.

Later the scholar climbed to power, and the highest ambition that any family entertained was that some son should enter one of the learned professions—law, medicine, or the clergy.

Today the business man builds the cities, not to memorialize some conquest but to make profits. He writes the laws, not to keep some dynasty in power but to safeguard the economic welfare of the nation. He determines international relations through the subtleties of oil, steel, rubber and wheat.

His language is spoken everywhere. We "sell" ideas, programs, reforms, principles and institutions to the public. We are told that preaching, editing, painting, music—everything—is a form of salesmanship. Political parties, for the purpose of winning votes and popular favor, announce their candidates as "practical business men," and churches, looking for new ministers, stipulate that they shall be "good business organizers."

The supremacy of the business man is a sign of the regeneration of our times, for business is, in certain respects at least, growing religious.

Evolution of Good Business

THE MERCHANT of a century ago sold for whatever price he could compel his customers to pay. His guarantees were unreliable and his promises worthless. Deception was considered good business, and the courts protected him in fraud with the principle of *caveat emptor*—"let the buyer beware."

The piratical days of merchandising are passing. Modern business has discovered that profits depend upon high ideals and that good morals are good business.

The Christian Church has preached certain principles for nineteen hundred years which, though greeted with derisive laughter by religious skeptics, have become principles almost universally accepted among good business men. At least four such principles, all from the teachings of Jesus of Nazareth, are at the very foundation of the commercial life of our generation.

The treat-'em-rough policy has been discarded because it was not profitable, and the policy of the other cheek has been substituted with results eminently satisfactory. Atheism and agnosticism may ridicule Jesus of Nazareth and call Him visionary and impractical, but big business has found it profitable to follow His suggestion and turns the other cheek a million times a day.

Telephone girls, salesmen and women and all those who wait upon the public are

Clean with

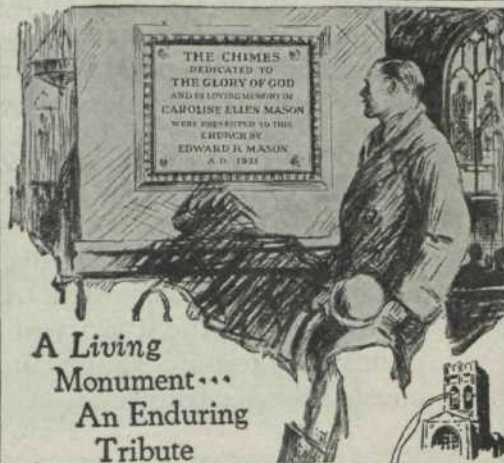
FOR all industrial cleaning and related operations that must be performed thoroughly, quickly and at low cost, use Oakite materials, methods and service.

Oakite cleaning specialists, who are ready to help you, are located in all the main industrial centers in U. S. and Canada.

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OAKITE PRODUCTS, INC.
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OAKITE

Industrial Cleaning Materials and Methods



A Living
Monument...
An Enduring
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Golden-Voiced Deagan Tower Chimes, sending forth each day, from the belfry of your Church, their sweetly musical message of good will and inspiration! In what way can you provide a greater beneficence to the community, a more stately tribute to a loved one, a sublimer expression of the true memorial spirit? ... That posterity may have ever before it an imperishable record of so worthy an endowment, there is provided with each set of Deagan Chimes a bronze tablet commemorating the gift and setting forth its hallowed purpose. Literature, including beautiful memorial booklet, on request. Standard Sets, \$6,000 and up.



J.C. Deagan, Inc.
EST. 1890

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Deagan Chimes played by organist from electric keyboard.



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Specialists**

Communities served from Fairbanks, Alaska, to cities in Florida.
Send for questionnaire for tentative survey of your city.

Bott Advertising Agency

Little Rock, Arkansas

Payroll Banditry is America's Reign of Terror

*Are you willing to help
put an end to it?*



THE victim is studied long before the attack. The event is timed to seconds. A few vicious blows . . . a few deadly shots and then—the getaway—previously planned and guarded by accomplices. The bandits disappear with the payroll . . . often murderers as well as robbers.

You shudder as you read nearly every day the accounts of payroll robberies. But did it ever occur to you that you, unwittingly, might be helping these desperadoes continue their terrifying business? For, as long as payroll cash is carried by messengers or handled in offices, payroll banditry will certainly flourish.

How to end this reign of terror

More and more business men are seeing the importance of abolishing the cash payroll system. They *pay-by-check* and thereby thwart the bandits. They *pay-by-check* and guard the lives of their employees.

And today this system of paying is easier, speedier, more economical, more convenient, and safer than ever

before. For The Todd Company has perfected the fastest and simplest check-writing machine ever made—the Todd Super-Speed Protectograph. It writes the amount line on checks at the phenomenal rate of 1200 to 1500 an hour.

The amount is shredded in indelible ink into the very fiber of the paper. No chance of raising it even though a forger should get hold of it. No shortage claims. No lining up for pay. Above all, you are freed from the worry of handling payroll cash on your premises.

Let a Todd Expert show you the Super-Speed Protectograph, and demonstrate its unprecedented speed, simplicity, ease of operation and economy.

Send the coupon below, attached to your business letterhead, and we will mail you our comprehensive little book, "Modern Payroll Practice." Every executive and every banker will find

in it much new and valuable information. The Todd Company, Protectograph Division. (Est. 1899.) Rochester, N. Y. Sole makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.

Todd Expansion Creates Opportunity for Salesmen. National advertising identifies the Todd name with the protection of bank accounts—business and personal. New models are being made for a constantly widening market. This era of expansion means opportunities for men who can qualify to represent a progressive organization. If you are interested, write to us at once. © 1926, The Todd Company

THE TODD CO., Protectograph Division
1196 University Ave., Rochester, N. Y. 3-27
Gentlemen: Please send me a copy of
"Modern Payroll Practice" and detailed
information about the Todd System of
Check Protection.

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Business _____
Address _____



1 The Protectograph eliminates a large percentage of all check frauds by preventing raised amounts. The Protectograph is made in a variety of standard models, one for every type of business, priced from \$37.50 up. Only Todd can make a Protectograph.



2 Todd Greenbac Checks, with their patented self-canceling features, eliminate another major source of possible check losses by preventing change of payee's name, date and number and "counterfeiting." Superbly printed or lithographed, they are made only to order, never sold in blank.



3 Standard Forgery Bonds cover the remaining check-fraud possibilities, namely, forgery of signature and forgery of endorsement. Qualified Todd users receive policies at the most advantageous discounts from the Metropolitan Casualty Insurance Company, New York City.

TODD SYSTEM OF CHECK PROTECTION



Non-Skid Hi-Type Solves Heavy Trucking Problems

To protect heavy, valuable cargos; to place more rubber, more cushioning under trucks; to provide tires that take hold on wet, oily, slippery pavements, in dirt, mud, sand; to be prepared for long, steady hauls; to make sure ahead of time that your tire costs will be low—equip your trucks with Firestone Non-Skid Hi-Type Tires. Phone your local Firestone Dealer today. He is ready to render immediate service on tires for every kind of hauling.

MOST MILES PER DOLLAR

Firestone

TRUCK TIRES

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER. *Harvey Firestone*



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"Trade Mark Profits and Protection" points out by practical example sound business practice covering the selection and registration of trade marks and successful methods of influencing the public by their means. The technicalities of trade marks made clear by interesting cases.

BY H. A. TOULMIN, JR.

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For the Ambitious

"We take NATION'S BUSINESS for the authentic information it gives," writes S. G. McMullin, President of the Home and Land Investment Company, Grand Junction, Colo. "It is the most valuable publication now printed, we believe, for the man who is ambitious and wants to rise above provincialism."

trained to turn the other cheek. Rare indeed is the customer who succeeds in involving such public servants in quarrels and arguments. Courtesy is the word that big business uses. "The customer is always right" is a familiar rule and one which is a polite way of turning the other cheek.

Big Business Is Considerate

BIG BUSINESS puts a high estimate on the value of soft voices and low tones. No one ever makes a good bargain in the midst of a quarrel. The good salesman knows that he always loses when he wins an argument with a customer. Anyone can answer arguments, but few can withstand friendliness or resist agreeableness.

Every business man soon learns that trouble is invariably expensive. Thousands of lawsuits are started every day, but tens of thousands of cases are settled out of court. Business knows that it pays better to turn the other cheek than to double up both fists.

"Faith is a sign of weakness," says youth, with the dangerous cocksureness of little learning. But no man can survive in business very long without learning to live by faith.

By faith we sell merchandise to customers we have not seen and take their checks in payment, giving them receipted bills.

By faith we buy goods we have not seen, from firms we do not know, because of advertising whose statements we do not stop to prove.

By faith we buy milk we have not inspected, take medicine we have not analyzed, and trust our lives to doctors.

Bankers tell me that 95 per cent of the day's business is transacted by means of a financial instrument called "credit," and I know that "credit" is faith in its simplest form.

Trade-marks are faith tags. We buy merchandise bearing a certain trade-mark with absolute assurance that it will prove satisfactory because the reputation of the firm stands behind its trade-mark. Reputations are only a way we have of measuring the faith that the public has placed in a given business.

Not only the just, but all the world, shall live by faith.

And they find it good business to do so.

It is not at all unusual for one bank to come to the rescue of another in times of financial strain and stress. The failure of one means loss of confidence in all banks.

"He profits most who serves best" is more than a catchy motto for Mr. Babbitt's Thursday luncheon club. It is a thoroughly demonstrated and accepted principle of business—especially of big business.

Whatever may be said in criticism of Big Business (and much small business labels itself "Big Business"), this at least is true—the people are buying their commodities and even their luxuries far cheaper by reason of modern large scale production than if the old system of individualism and cut-throat competition prevailed.

There are still unregenerate areas in American business life. Much business is still immoral, but sufficient experimenting has been done to prove that religious idealism is economically sound.

Some Business Bits From Far Places

HERE'S the best argument we've yet seen in favor of foreign trade as a distributor of risk.

We exported in the first nine months of 1926 some 45,948,000 pairs of cotton hosiery. If it were not for this sizable outlet, what would have happened to the cotton hosiery manufacturers in this American forest of silken legs?

Without repointing the moral, I notice that we exported 1,106,724 corsets and brassieres in the same period.

THERE'S really a lot of exotic romance in the statistics of our foreign trade. If you're interested in colorful astronomical calculations, listen to this! From January to September of last year we exported 3,986,000 phonograph records; \$11,438,000 worth of musical instruments; 70,164,000 safety razor blades; 255,576,000 eggs in the shell; 288,696,000 pounds of fresh apples and 7,452,000,000 cigarettes. We send our cigarettes thousands of miles so that the foreigner can "walk a mile" for them.

SPEAKING of the French official pocket-book, there was an interesting calculation published in the "Bulletin Quotidien" some time ago—a statement of what France is due to get in the next ten years as her share of German reparations and what she will have to pay under the American and British debt agreements. She gets \$2,565,000,000 and must pay us \$465,000,000 and Great Britain \$500,000,000, leaving her a credit balance of \$1,600,000,000—a fairly comfortable margin from any point of view.

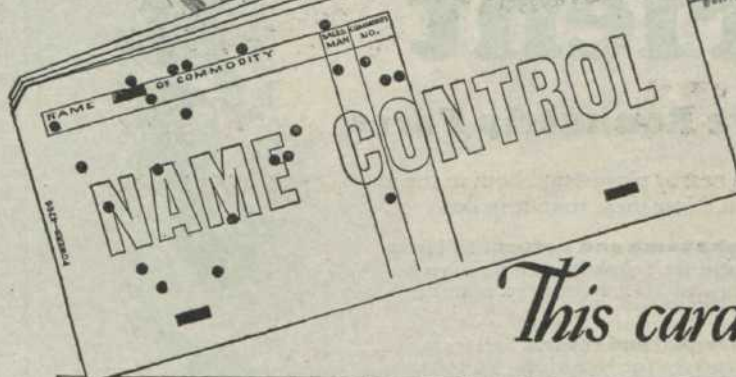
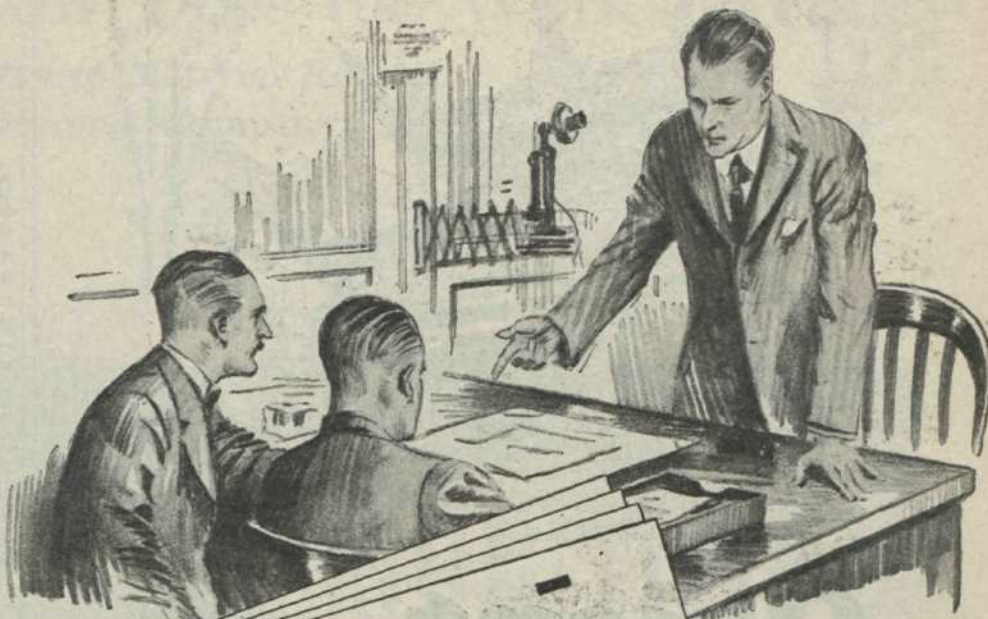
THESE figures cast an illuminating light on the discussion of the French debts to us and to the British. In all the vocalizing about them we get all the garbage and Great Britain gets all the garlands. But in the first ten years, acknowledgedly the most difficult period for France, the British are asking France to pay her \$500,000,000 while we are asking for \$465,000,000—although her debt to us is one-third greater than her debt to Great Britain. Evidently the British believe a bird in the hand is worth two in the museum.

I HAPPENED to pick up a copy of *El Espectador* the other day. It's a daily newspaper of Bogota, Colombia. In the advertising I was interested to see the familiar names of Victrola, duPont Explosives, Pierce-Arrow Trucks and Buses, Parker Duofold Pens, National Cash Registers, Sapolin, Allcock's Plasters, Scott's Emulsion and Men-tholatum—not to mention a beauty recipe of Miss Pearl White!

THE CHINESE coolie is poor. He lives from hand to mouth. But he likes cigarettes and we're teaching him to like American raisins. He can't afford a package—so they're packed to be sold piecemeal. A coolie will buy one cigarette and four or five raisins as his allowance of luxuries for a day. And largely out of this we've built a trade that last year sent 2,926,093 pounds of raisins to China and \$9,430,007 worth of cigarettes.

WE NEVER hear much about Nicaragua, except when the Marines referee a sublimated election squabble. But we go on selling it about \$600,000 worth of our goods a month.

WHEN POWERS ANALYZES YOUR SALES ACCOUNTING



This card produces

COMMODITY	UNIT	NO.	SALESMAN	GROSS SALES		CREDITS — DISCOUNTS — RETURNS	
				QUANTITY	AMOUNT OF SALE	RETURNED QUANTITY	CREDIT AMOUNT
R S MANSFIELD							
ACEHI PAINT RED	11	20	106	20	10 00	10	5 00
ACEHI PAINT YELLOW	13	10	106	42	21 00		
ACEHI PAINT GREEN	18	20	106	50	25 00	15	7 50
STABRILL WHITE	260	10	106	50	15 00		

THIS shows you at sight whether your salesmen are pushing goods that yield real profits or are selling commodities that hardly pay their way.

The Powers Alphabetical Tabulator prints the salesmen's name, and commodity name and number as well as all other numerical data. It is a visible finished accounting record of every commodity sold for the period with gross sales, credits, discounts, returns and commissions earned.

But this is not all!

These same cards when used with Powers Mechanical Accounting equipment analyze your sales by trade classification, by commodity, by state, city and territory. The results, in these combinations, are the information a huge clerical force might slowly dig out if you did not hesitate at the expense.

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115 Broadway, New York City

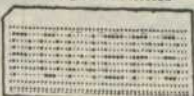
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Powers equipment is in general use wherever such work as this is done:

General Accounting
Payroll and Labor Distribution
Material and Stores Record
Sales and Profit Analysis
Insurance Accounting and Statistics
Public Utilities Accounting
Census and other Vital Statistics
Traffic and Transportation
Accounting
Chain Store Sales and Inventories
Federal, State and Municipal Accounting

Reg. U. S. Pat. Off. and
Foreign Countries





Court in Shansi Club, Tzeiutzing

Orient

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THE ORIENT is a nearby playground both in the matter of time and cost. Note these roundtrip fares.

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The entire trip is made aboard great President Liners, broad and steady. They are luxuriously furnished, spacious, commodious.

All rooms are outside. The public rooms are beautifully appointed. The dining service is excellent.

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When writing to the above STEAMSHIP LINES please mention Nation's Business

The Business Side of Building

By Carlton Schultz

Vice-President, National Association of Real Estate Boards

MANY IN the real estate business and other commercial activities consider management of business buildings a necessary evil. This view represents a striking misunderstanding of a fundamental business principle that property management is the foundation upon which all business property values rest. Business properties are businesses, and the present value of an income-producing property, as an investment, is no greater than its net income capitalized by the market value of money invested in similar enterprises.

In recent years there has been considerable building for monumental and speculative purposes. This has resulted in an overproduction of office, commercial and residential space.

This has caused sufficient financial disaster to real estate investors that they are now beginning to recognize that money placed in a building erected for income is invested only to the same extent as money incorporated in a business. Evidence of this is clearly seen where two similar buildings are situated in adjoining locations. The one managed by a trained building manager is a financial success. The other without trained building management is a failure.

A prospective building owner too often forgets that any plot of ground cannot be improved with any type of building. This causes overdevelopment and improper development of many pieces of ground, with the result the property cannot make a proper return on the amount invested in it. Soon there is another receivership.

The first problem which the building manager solves is correct location. He makes sure that the structure fits the location. Before he accomplishes this a complete survey of the district in which the building will be erected is made. He studies competing buildings and purchasing power of passing traffic in the neighborhood. This determines the present requirements and future developments. It must be kept in mind the building will stand many years and it must be planned to meet present and anticipated requirements.

Cities Grow by Rules

ANALYSIS of a district and determination of its future is not a matter of gamble. Cities, like people, grow according to a fairly definite set of rules. This is true because human beings build cities and people collectively are much alike.

Most cities have been founded to facilitate trading or industry. Urban growth usually started at cross roads, rivers or railroads. After the city has stretched to the point where its ends get too far from the center, the next expansion is usually at right angles, starting near its center. This is because people want to be as near the center as possible.

The building manager knows all these facts. When he advises a prospective builder he fully understands all the steps that have taken place in the growth of a retail district. He knows that the best retail district should lie between the old retail district and the best residential development. The retail district is always reaching toward the residential section. As it goes forward, the old retail district becomes the new whole-

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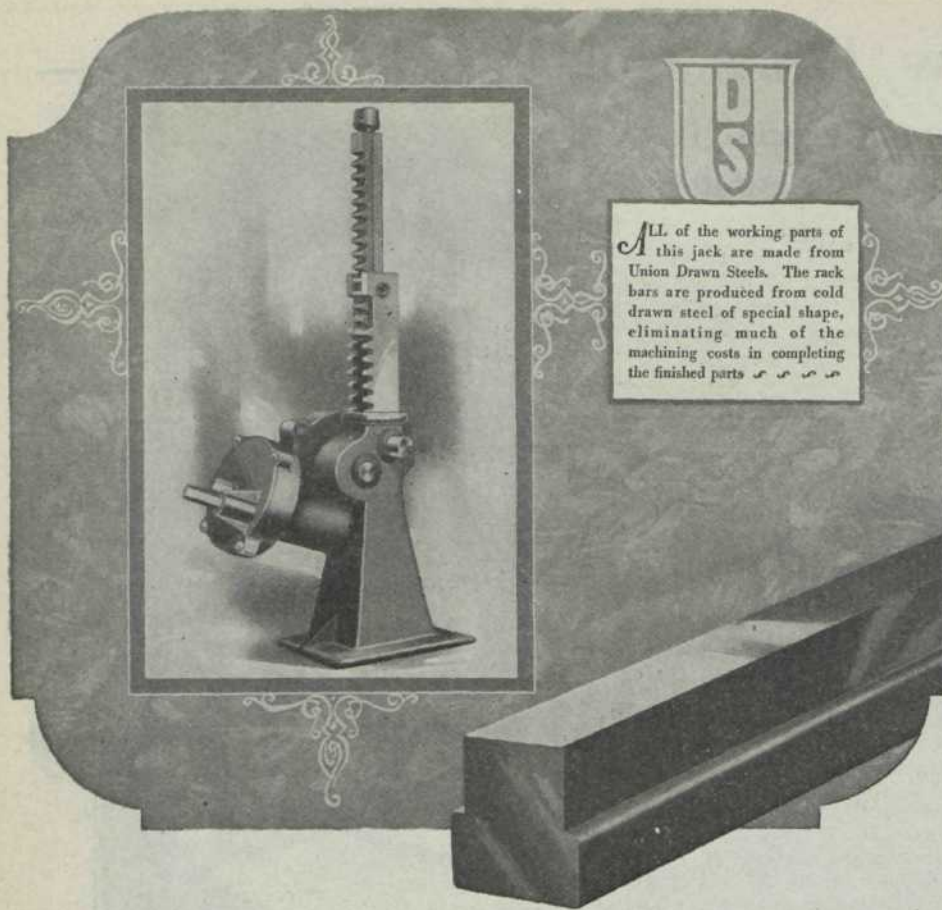
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sale district and the old residential districts change to new retail areas. Chain stores know this principle is the same everywhere. They have chosen as their most desirable spots locations in the best retail districts between large department stores.

The property manager has learned that public buildings, churches and libraries have practically the same effect on business properties in all cities. People who visit these places are not in a buying mood. Because of this and the fact that the more shopping competition in a given congested area, the greater the business of each shop, public buildings are a detriment to stores.

Analysis of Districts

THE BUSINESS building expert applies all these facts in his analysis of a district and lays them before the man who intends to invest his money. With the possibilities of the district in mind, he is ready to proceed with proper type and size of building to erect on the property. He is in a position to suggest the operation, layout, and general equipment that will bring the greatest net return during the life of the building.

The first question to be answered is, the type of building. If it is to be an office building, the skilled business building manager knows exactly what equipment and design is best. He knows that tenants do not buy square feet. They rent offices, and the owner's square-foot rate depends upon the ability of his building to house tenants necessary to his success. The size of the offices depends not only upon the size and shape of the lot, but upon the class of tenants sought. Unless offices and stores are arranged to meet the requirements of prospective tenants, the maximum income cannot be received.

Width of corridors, number and location of elevators have great bearing on the desirability of a building and its resultant net income.

Before the structure takes form, the building manager sets up a complete income and expense budget for the owners. From an analysis of a district the manager knows the class of tenants to which he will appeal and how much they can afford to pay.

By using figures obtained by a complete survey as a basis of calculation and adjusting rents to fit the exact space, the manager sets up the gross income to be obtained from the building. From this he deducts the percentage of vacancy prevalent in the district, and, after adjusting it to fit the competitive features of his building, he can accurately determine the building's gross income.

Expenses Accurately Forecast

IN SETTING up operating expenses, general percentages and estimates are too often used. The building manager takes from his books of account the actual operating expenses of other buildings and adjusts them to fit the case under analysis. Only the building manager who can refer to accounts kept on other buildings is able accurately to set up operating expense.

After deducting the estimated operating expense from the estimated income, an amount applicable to interest on the investment and fixed charges remains.

Unless this net income, capitalized at the going rate for money, shows a capital amount as large as the proposed investment, the building is a speculation. This does not mean that buildings should not be built for the future. It is clear, though, that both the speculator and others who may be induced to risk their money in his project should know the hazard. The building manager is qualified to furnish this information.

The relationship between a new commercial building and a new manufacturing enterprise becomes apparent when plans are made to offer space to prospective tenants.

During construction of a factory, the sales manager is employed so that, when the product is actually ready, a market has been created for it.

The same thing should be true with a new building. During its construction the building manager is active with well-planned publicity. This is to create a desire for space in the new building. If this is effective, as soon as the doors are opened there will be a number of tenants with signed leases ready to move in.

Selling the Last Space

THERE is no problem in getting the first 10 or 15 per cent of occupancy. The real test is to rent the last 15 and 20 per cent of space.

During construction and after completion the building manager continues his work of publicity and personal follow-up. This is part of a successful rental campaign. Future income of a building is based upon proper performance of these duties.

Space to rent is a competitive product. Because a building is once successfully rented, the owner should not cease his efforts. A building is a business and to be a real successful business it must be well managed throughout its life.

Down in Mississippi

THERE'S a man down in Mississippi who has spoken right out in meeting against the "Let's pass a law" boys. He is a business man in every sense of the word—so much a business man, in fact, that he has worked for a long time to see farming in his state conducted on a business-like plane.

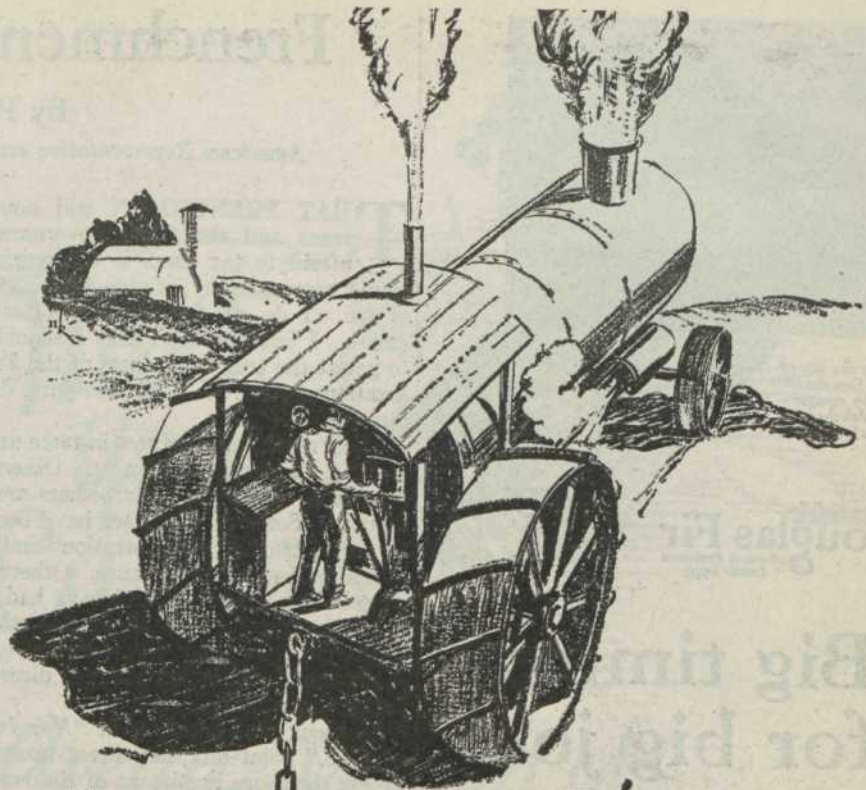
His name is Crosby—L. O., they call him down at Picayune, Mississippi, where every moon is a harvest moon, and when the crops go bad the business man feels it heavily, too. L. O. Crosby is president of the Good Year Lumber Company, the Mississippi State Board of Development and various other organizations, in addition to being a director in more firms than he could call to mind off-hand.

But the other day he become so plumb exasperated that he said his piece about the "Let's pass a law" boys and started something. They wanted to get together, down in Mississippi, some of the boys who like their laws long and frequent, and pass a law against growing much cotton next year. The cotton situation had them considerably upset, and some were sure that another law was the only solution.

"While you are at it," mildly suggested Mr. Crosby, "why not pass a law providing that every farmer in the state has got to work next year, and another law saying that he has got to milk a cow every morning before breakfast and every evening before retiring—or, to make it real interesting, say, he has to milk four cows, or five cows or even six cows. What do four cows more or less mean when there are so many laws you can pass? Also pass a law against any rain falling from June 10 to July 20. Put in a few clauses about the farmer must kiss his wife before going to the fields, and wipe his feet before going to church. For heaven's sake, don't be stingy about it; let's draft all the laws we can while we are together. I know lots of new ones."

Whereupon, with which grave remarks, Mr. Crosby sat down.

He seconded the motion to adjourn sine die.



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Frenchmen Do Pay Taxes

By Pierre Crabites

American Representative on the International Tribunal, Cairo, Egypt

THAT FRENCHMEN will not pay taxes and that their government is afraid to tax them is the opinion, I would venture to say, of nine Americans out of ten. I do not know whence this idea comes. I felt, however, that I should like to get at the true inwardness of the French taxation system. I have, therefore, delved into it.

The French tax laws now in force are not codified. Some are old acts. Others are new ones. Some are clear; others are ambiguous. Some of the latter have been interpreted by the "administration" and have now a well-settled significance. Others have gone before the courts and have had their intent explained. But all of this mass of legislation, new and old, adheres to the fundamental distinction between direct and indirect taxation.

Monteux and Sauzède, in "*Nos Impôts en 1926*," point out that direct taxation is by far the more important of the two systems. This, according to a definition emanating from the "administration" itself, "represents the produce of capital and of immovable (real) and movable (personal) rights as well as the fruits of professional activity." This language, when I read it in its original French, did not at first seem very clear to me. But this was because I was unconsciously looking at my subject from an American standpoint. Now, however, that I have become convinced that French taxation is as eminently Latin as snail-eating I feel that I understand what these bureaucrats mean. They tell us, as a matter of fact, in the very next breath, that direct taxation applies to (a) the tax placed on real estate; (b) that put upon industrial and commercial profits; (c) that bearing upon the net returns produced by agriculture; (d) that laid upon the money made out of professional pursuits, and (e) that affecting wages and salaries. And they add that the special income tax covering revenue derived from bonds and stocks and from personal property is not a direct tax but that the general income tax is. All this sounds like Byzantine metaphysics. It emphasizes the fact, nevertheless, that the system of taxation under discussion is so radically different from ours that we ought not to express any opinion as to whether the Frenchman is or is not a tax dodger until we have at least a bowing acquaintance with his legislation.

Two Classes of Real Estate

THE PRESENT tax on real estate divides all immovable into two fundamental classes, improved or "built" property and unimproved or "unbuilt" property. Different rules apply in both cases. By improved property is meant not only any and all "buildings," whether temporary or permanent, but also all immovables by destination and the soil upon which the improvements rest. The term likewise applies to all parcels used for industrial or commercial advertising purposes. All real prop-

erty not included in this enumeration is deemed to be "unbuilt"—but not necessarily unimproved.

Instead of basing assessments upon values fixed by the state, France tries to find out the rental the property produces. To get at this at regular intervals, a commission composed of (1) a delegate of the controller of direct taxation, (2) three real estate owners of the neighborhood, and (3) the mayor of the *commune* where the land is located is named. The owner of property is not required to say how much it pays him. It is the duty of the board to fix normal prices for the period with which it is concerned and to get at its facts by intelligent investigation.

Complex Assessment Rules

ONCE these data have been obtained, things take on an even more pronounced French hue. The assessor, to arrive at the net taxable value, must, in the case of dwellings and stores, subtract 25 per cent from the figure given him by the board. The reduction allowed for factories is one of 40 per cent and, for unimproved property, of 20 per cent. Suppose that the annual rental is fixed at 100,000 francs, or, at present exchange in round figures, \$3,000. If the property be a dwelling or a store, its owner will pay taxes on 75,000 francs; if it be a factory, on 60,000 francs; and if it be unimproved, on 80,000 francs. The rate is now 12 per cent on this net sum. In the first instance, therefore, the annual charge will be 9,000 francs; in the second, 7,200 francs; and in the third, 9,600 francs.

An act passed April 4, 1926, has modified legislation covering industrial and commercial profits. As the statute now stands it applies to all net profits made by traders during the year preceding the one for which the tax is levied. The new law has somewhat simplified the mechanism devised for ascertaining this net profit. Under present conditions, the man who owes the tax may file a statement setting forth what he has earned. The tax collector is authorized to require proof of the accuracy of this return. If the taxpayer neglects to file this paper, or if he fails to substantiate it when it is challenged, the "administration" is empowered to go ahead and to do its own assessing.

No sum is too small to escape. On all amounts under 800 francs there is a fixed charge of 15 francs. Of course, this latter tribute represents today no more than 50 cents in our money, but the profits to which it applies are equally modest. This same ratio is more or less constant until the profit side of the ledger shows 5,000 francs. The state there exacts a toll of 10 per cent and adheres to this proportion indefinitely.

But the French Parliament is not satisfied with giving the exchequer a share of all money made out of manufacturing, commerce and finance. It goes further. It compels these interests, with exceptions that are few and far between, to pay on



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IN the West's largest market is also found the nation's greatest per capita buying power. The 2,500,000 people living within 100 miles of the center of Los Angeles equal 4,000,000 average Americans in ability to buy.

The average Los Angeles family spends more in a year for retail merchandise alone (\$2,057) than the average American family earns. Another \$1,200 is spent for recreation, travel, service, savings, etc. Total retail purchases in Los Angeles' 100-mile radius are \$1,500,000,000.00 a year.

There is a higher percentage of home ownership in Los Angeles than in any other metropolitan community, and more motor vehicles per capita—one for every 3.5 persons, as against the national average of one for 6.5.

Income taxes in 10 Southern California counties jumped from \$47,000,000 in 1925 to \$52,000,000 in 1926, in the face of heavy reductions.

The tremendous buying power of the Los Angeles market is due largely, of course, to the fact that the rapidly-growing population is drawn from among people all over the world who have the means to live wherever they please.

Maximum buying power, largest concentrated population in the West, and favorable freight rates to the 11 Western States combine to make Los Angeles County the logical manufacturing and distributing center of the Pacific Coast.

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their "turnover" whether they have earned a dollar or lost thousands, provided that their aggregate receipts exceed 1,000,000 francs. On all business done between this minimum and 2,000,000 francs the levy is 1 per 1,000. By the time 200,000,000 francs have passed over the counter, the state insists upon 4 per 1,000. On all amounts above this latter sum, the Treasury calls for 5 per thousand. In case of banks, these figures do not apply to deposits, as they constitute liabilities.

Farm Property Taxation

ACCORDING to Montoux and Sauzède, the state fails to collect an adequate revenue from French farms. The manner of arriving at the assessment on farm lands seems to be unnecessarily complicated. The survey valuation is taken as the starting point for establishing the rental value of the fields. To this initial figure 25 per cent is added. Seventy-five per cent is tacked on to the result. The aggregate sum is then multiplied by a factor which varies according to the nature of the crop which is being raised. When these computations are ended, the farmer and the tax collector are supposed to know how much profit has been made out of the year's planting operations—even if they represent a loss. If this official profit be under 2,500 francs no tax is paid. If it be in excess of 2,500 francs but less than 4,000 francs, the toll runs to 1.8 per cent, less 45 francs. All sums over 8,000 francs pay 7.2 per cent, less a fixed rebate of 405 francs.

But when is a farmer not a farmer? He is a farmer when he turns his grapes into wine, his milk into butter, or his cream into cheese. He is not a farmer when he converts his beets into sugar or his wheat into flour. And he must be careful as to how he breeds his stock lest he become a manufacturer or a merchant.

When the lawyer has paid an impost on his net fees, the industrial magnate or the business man on his profits and likewise on his "turnover," the hired man on his salary and the farmer on his "official" crop, they are all ready for the income tax collector. He levies his tribute from the aggregate net revenues of his "contribuable." These exactions begin at 7,000 francs. The fisc taxes 2 per cent on all amounts between the minimum and 20,000 francs and goes forward by easy grades until 550,000 francs are reached. When that total is attained the absorption is of 50 per cent. This rate is the maximum. Of course, on all sums under 550,000 francs the rate charged is the graded one. And then to have a wife adds 3,000 francs to a man's non-taxable minimums, and each child represents an additional saving of 2,000 francs. To encourage a numerous progeny this latter figure jumps to 3,000 francs if there be more than five blessed little ones. Race suicide, however, laughs at this palliative.

These various forms of direct taxes are all collected by the National Government or by the state, as it is called. Departments and communes have their own special preserves. Until July, 1917, they held tenaciously to an antiquated charge upon outside doors and windows. Now they have their license taxes or patents or a fixed charge for the right of carrying on

“20% decrease in our costs ‘ ‘ ‘ 18% increase in our employees’ earnings”

writes W. Roy McCanne, President of the Stromberg-Carlson Telephone Manufacturing Company, of Rochester, New York

“THE installation of the Bedaux System has resulted in a 20% reduction in our costs and an 18% increase in our employees’ earnings. . . . At least 90% of our workers realize that it has bettered conditions for them as well as for ourselves and we could not take the Bedaux System out of our factory without a serious protest from at least that 90%.”

The Stromberg-Carlson Company is not alone in its experience. In no one of the 135 representative plants—in all fields of industry—where the Bedaux principle of human power measurement has been applied would either management or labor willingly abandon it. Invariably, it has resulted in decreased costs and increased earnings. The average saving in costs is 20%.

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A preliminary examination of your plant will be without cost to you and you will be under no obligation whatever.



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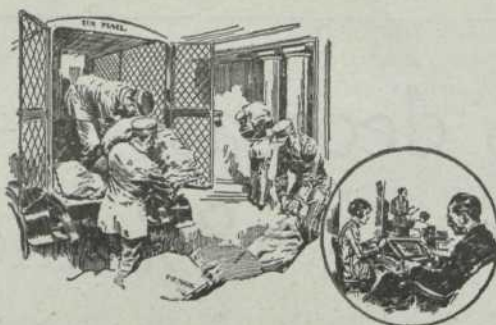
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Regardless of the time available and the number of payments to be made, each check is drawn and prepared for mailing by the various steps described below.

- 1 The amount of the stock transferred is posted.
- 2 The proof is taken from the ledger.
- 3 Lists are prepared by stencil.
- 4 Amounts are then entered.
- 5 Lists are compared with ledger.
- 6 Lists are figured.
- 7 Proof is taken from lists as to amount to disburse.
- 8 Checks are stenciled.
- 9 Checks are drawn.
- 10 Checks are compared against the dividend-lists.
- 11 Proof is taken from checks.
- 12 Checks are signed twice, once by an officer and once by a transfer clerk.
- 13 Sheets of checks are cut into single checks.
- 14 Checks are inserted in envelopes and mailed.

Send for our booklet, *The Equitable Trust Company of New York, Transfer Agent* or without incurring any obligation, consult the nearest office of The Equitable with regard to any of the services rendered by our Corporate Trust Department.



20,000 certificates in twenty-four hours

A corporation for which The Equitable acts as transfer agent declared a stock dividend of record one day, payable the next. This corporation wanted twenty thousand certificates issued and mailed within twenty-four hours. It couldn't be done, they were told.

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Read the column at the left.

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Total resources more than \$475,000,000

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a specific business, craft or profession. Then there are furniture, vehicle, gasoline, animal, marionette, theater and umbrella taxes, etc. The rates vary from town to town. The nature of the tax is equally flexible, and it goes without saying that there are "cure-taxes," hotel taxes and all kinds of tender devices to exact tribute from travelers. Nor must one forget the luxury tax, that *taxe-de luxe* which is always added on to one's bill whenever a necessity is purchased. There is also the heavy stamp duty on pharmaceutical products and on perfumes.

Another "Stamp Tax"

AND SPEAKING of stamps emphasizes a salient particularly of French legislation. *Papier timbré*, or stamped paper, forms the basis, not only of judicial procedure, in the technical sense of the term, but also in its more general conception. I mean by this that if I pay a bill to my wife's dressmaker I cannot offer my receipt in evidence unless it is stamped. If I hold a promissory note on which I desire to bring suit, I should have it *enregistré* or stamped, as otherwise under certain conditions its probative value may suffer. If I have entered into a contract with A or B and go to court about it, technical objections may be raised unless my indenture have *date certaine*, that is to say, an official stamp. All of these formalities cost money. There is a complicated tariff applicable to them. It fixes specific charges. They constitute taxes of a sort which would drive Americans to revolt.

But all of these annoying levies, while practically essential, really carry no weight. This is another way of saying that, while they are unavoidable evils, they have no effect as to the validity of the documents bearing their imprint. This seems like a contradiction in terms. But I am writing of France, and *papier-timbré* is not a cure-all but merely a necessity—and a revenue measure. In a word, the adjective law of France or the Code of Procedure applied by the tribunals of that country is so framed that it makes the judges of the land purveyors to the fisc. This does not mean that judicial officers are deputy tax collectors. They are not. It does imply, however, that Frenchmen pay many of these irksome stamp fees and the very considerable *ad valorem* duties to which I shall shortly refer, not necessarily because they fear the Treasury but because they do not want their commercial paper, their real estate purchase or their stock transfer to be treated as worthless should circumstances drive them into the courts.

When these stamp taxes were fixed the purchasing power of the franc was upon a gold basis. This has changed. The revenue produced by these harassing exactions has therefore, in effect, greatly diminished. But side by side with these disconcerting fiscal worries in many instances stand *ad valorem* levies which still mean a great deal in dollars. A few examples will drive home my meaning. I shall not, however, speak of the burdensome tax which is placed upon stock transfers, dividends, coupons, etc. The corporations which pay these sums or issue the new certificate are bound by law to collect the duty and to turn it over to the Treasury. I shall confine my observa-

tions to certain typical cases where the taxpayer does his own disbursing. On all written acknowledgments of debt, including non-negotiable promissory notes, the toll is 1.25 per cent upon the total amount. Negotiable instruments pay .0625 per cent. Real estate conveyances are mulcted to the extent of 7 per cent on the purchase price. Severe penalties tend to make it almost impossible to fix a fictitious figure. This tribute is raised to 8 per cent on all amounts between 300,000 and 500,000 francs. If the latter sum be exceeded, 9 per cent is debited. If a business establishment be sold as a going concern, the state demands a minimum of 9 per cent on the purchase price.

I could go on indefinitely multiplying instances, but I must pass on to the inheritance tax. Its basic principle recognizes no exceptions. The son or daughter who inherits less than 2,000 francs pays 1 per cent. The grandchild or spouse who receives a like amount pays 2 per cent. Little by little the rate goes up on this modest bequest of \$66 until it reaches a total of 25 per cent for strangers or for persons related in the fifth degree to the deceased. Sons or daughters who inherit more than 50,000,000 francs give up 17 per cent. This charge runs up to 59 per cent in the case of distant relatives or beneficiaries not of the blood.

But France needs prolific sons and fecund daughters. She therefore imposes a super-succession tax on those who, at death, leave less than four children alive or represented. This supplementary duty is of 0.55 per cent if there be but three of these descendants and an estate of not more than 2,000 francs. When there are no offspring, the impost on this pittance of \$66 jumps up to 3 per cent. It bounds forward to 39 when the assets reach 500,000,000 francs. To these impositions must be added the ordinary estate duty. As 39 per cent plus 59 per cent equals 98 per cent, it follows that the French Parliament under certain conditions sponsors confiscation.

Taxes on Lotteries

NOT ONLY is France a high tariff country, but it maintains local custom houses or *octrois* which interfere with internal free trade in respect of certain commodities and principally with regard to food-stuffs. In addition, the manufacture and sale of tobacco and of matches are government monopolies, and so is the sale of playing cards. There are also certain state lotteries, and the government fosters gambling in the sense that it gets an important share of all *pari mutuels* racing bets. All of these factors represent taxation, disguised, if you will, but taxation for all that.

The facts have convinced me that the Frenchman is heavily tax burdened and that, were he to seek to dodge one tax, he would stumble over a score of others. But this does not make me a partisan of debt cancellation. As long as Europe insinuates that we came into the war too late, that we did not do our bit, that we drew our sword merely to protect our credits and that we are a nation of Shylocks, there is but one course open to us. That attitude we have taken. But such considerations do not absolve us from the necessity of getting at the true facts.



Reducing the Need for Guessing

Thirty years ago, potent captains of industry had to guess about many things—about such things as power transmission, machine efficiencies, markets, property values . . .

Today, alert business men have learned that these things can be measured, can be brought under the control of exact knowledge, rather than that of chance or rule-of-thumb. And today, their guesses reach further afield into the unknown, the regions where only acumen and intelligence point the way.

To guess today, where facts are available, is an unnecessary, uneconomical hazard. To guess about insurable values, is to invite unindemnified loss. To guess about depreciation, is to run the risk of distorting earning statements and balance sheets.

American Appraisal Service has taken the guess out of property valuation, property accounts, and depreciation for thousands of those who insist upon being sure when they can, who guess only when they have to.

The American Appraisal Company

MILWAUKEE

PUBLIC UTILITIES • INDUSTRIALS • REAL ESTATE PROPERTIES • NATURAL RESOURCES

A NATIONAL ORGANIZATION

When writing to THE AMERICAN APPRAISAL COMPANY please mention Nation's Business



King of them all

FIVE DRAWERS HIGH—25% more filing capacity in the same floor space—only 4 inches higher than the regular 4-drawer file.

This new Globe-Wernicke "5-File" brings to business new economies in time and space saving. The new roller-bearing, automatic-locking follower block adds inches to the filing capacity of each drawer; it gives full use of the entire drawer's depth and eliminates forever the troublesome guide tab rod.

The Globe-Wernicke "5-File" is built—structurally to last. The heavy-gauge steel is riveted and welded together at all joints. The file is shelved between drawers to add to its rigidity and provides a dust-proof sturdy compartment for easy-rolling file drawer.

The new "5-File" is finished in Olive-Green enamel, baked on for permanence, but may also be had in Mahogany and Walnut finishes. Wing nuts lock units into battery formation when two or more are used together.

There is economy in every inch of this new Globe-Wernicke product—the "5-File"—see it at your dealer's, or mail the coupon, today.

Globe-Wernicke
Cincinnati

The Globe-Wernicke Co.
Cincinnati, Ohio

Dept. N-3

Gentlemen:—
We want facts! Send us a copy of the folder, "King of Them All," giving the 8 economic features of the new "5-File."

Name.....

Address.....

City.....State.....

Business Views in Review

PROFESSOR WILLIAM Z. RIPLEY has focused public attention on certain tendencies in the field of corporate finance. Maurice Hely Hutchinson, an investment banker, answers him in an article in the *Century*, "An Industrial Divorce, the Separation of Corporate Management from Ownership, a Reply to Professor Ripley."

Mr. Hutchinson's contention is that Professor Ripley, though making a valuable contribution toward the public understanding of corporate affairs, has also done much harm. Here are some extracts from Mr. Hutchinson's article:

"Let us concentrate on the problem itself—the cooperation of stockholders in management. At first thought, there does not seem to be anything very much wrong with this. But let us think a little; perhaps there is nothing very much that stockholders can contribute toward management. Perhaps even the little that they can contribute will be more of a hindrance than a help. Let us examine the testimony of a few expert witnesses.

"Mr. Sidney Hillman is found, in the proceedings of the Academy of Political Science, in April, 1925, to have expressed the following opinion:

"It would be a misfortune if a large number of owners suddenly began to take their powers of ownership seriously. I question what might happen when great numbers, inexperienced in management, proceeded to assume the functions of management. Suppose they all assign their proxies following a campaign more or less like our political campaigns, in which we know that all issues but the essential ones are discussed.

"It may very well happen that, under such circumstances, management will suddenly be turned over to a group of people who have neither the knowledge nor the experience to run institutions with resources of over a billion dollars.

"I read recently the statement of a large insurance company of which I happen to be part owner. I note that it has resources of over one billion dollars. Imagine the consequences if a large group of stockholders should take charge of that billion-dollar institution. It is, I think, placing too much confidence in democracy to believe that such enterprises can be run without any preparation or experience."

"Mr. Hillman is a well-known progressive labor leader. He can hardly be described as being in league with industrial despotism.

"Among the matters of principle raised in Professor Ripley's articles is that of the issue of no-par-value stocks. He says, 'With the advent of no-par-value stock the doors are thrown wide open to all sorts of shenanigan.' There is some advantage in a form of security which offers no definite and partly misleading inferences as to value; which in fact puts it up to you to look into things and find out what the value is; which makes you think hard and work hard, too.

"On the question whether no-par-value stocks, by permitting companies to record opposite the capital stock item a figure differing from that at which the stock was sold to the public, can be held to constitute a means of misleading the public, there are some pertinent passages in the report of the Railroad Securities Commission:

"But in the case of stock, the fact that the certificate represents one hundred or one thousand dollars is far from being the determining factor. It is but one incident among many. Even in theory it purports merely to show that this was the amount originally paid

by the subscriber when the road was built. It does not create an obligation to pay its face value, nor does that face represent its money value as a share. The value varies with the development of the property as a whole.' And later... 'the certificates (of no par value) simply indicating the proportionate or preferential claims of the holders upon assets and upon such profit as might from time to time be earned.'

"The second of Professor Ripley's articles is largely concerned with the question of the adequacy of corporate reports. This is essentially a matter of judgment and opinion. It is impossible to lay down the law. On the whole question of adequacy of corporate reports, we might appropriately ask ourselves these questions: What will the average stockholder of the Pennsylvania Railroad do, what action is he qualified to take, what can he contribute to the situation as a whole, supposing that he is sufficiently alert to detect a declining tendency in the 'net ton-miles per train hour' as to which item that corporation's annual report is carefully specific? Even if a stockholder is qualified to draw any inferences at all from figures of this kind, and even supposing that they produce in him a feeling of uneasiness, he is not likely to wait until the next annual meeting and then violently cast his vote. He is much more likely to sell his stock. And at the very moment that he does so, the buyer of that same stock expresses, by his very act in buying, a contrary opinion on its merits.

"We must not, of course, close our minds to the dangers inherent in one-man power. A threat to liberty is entailed in the creation of an oligarchy of business efficiency, unless that oligarchy is an aristocracy—an aristocracy in the real sense of the word—a government of the best. In considering what 'best' means, let us not forget that the greater the man, the more will his actions be governed by his sense of responsibility. Here, then, is the heart of the matter. Our problem is to promote, not discord, but union between liberty and efficiency. The way out lies, not through carping criticism of alleged mistakes of detail, but through grasp of principle; and in working toward a solution, let us not place too much faith in the possibility of making men honest by act of Congress."

Some Advertising Mistakes As Pointed Out by a Youth

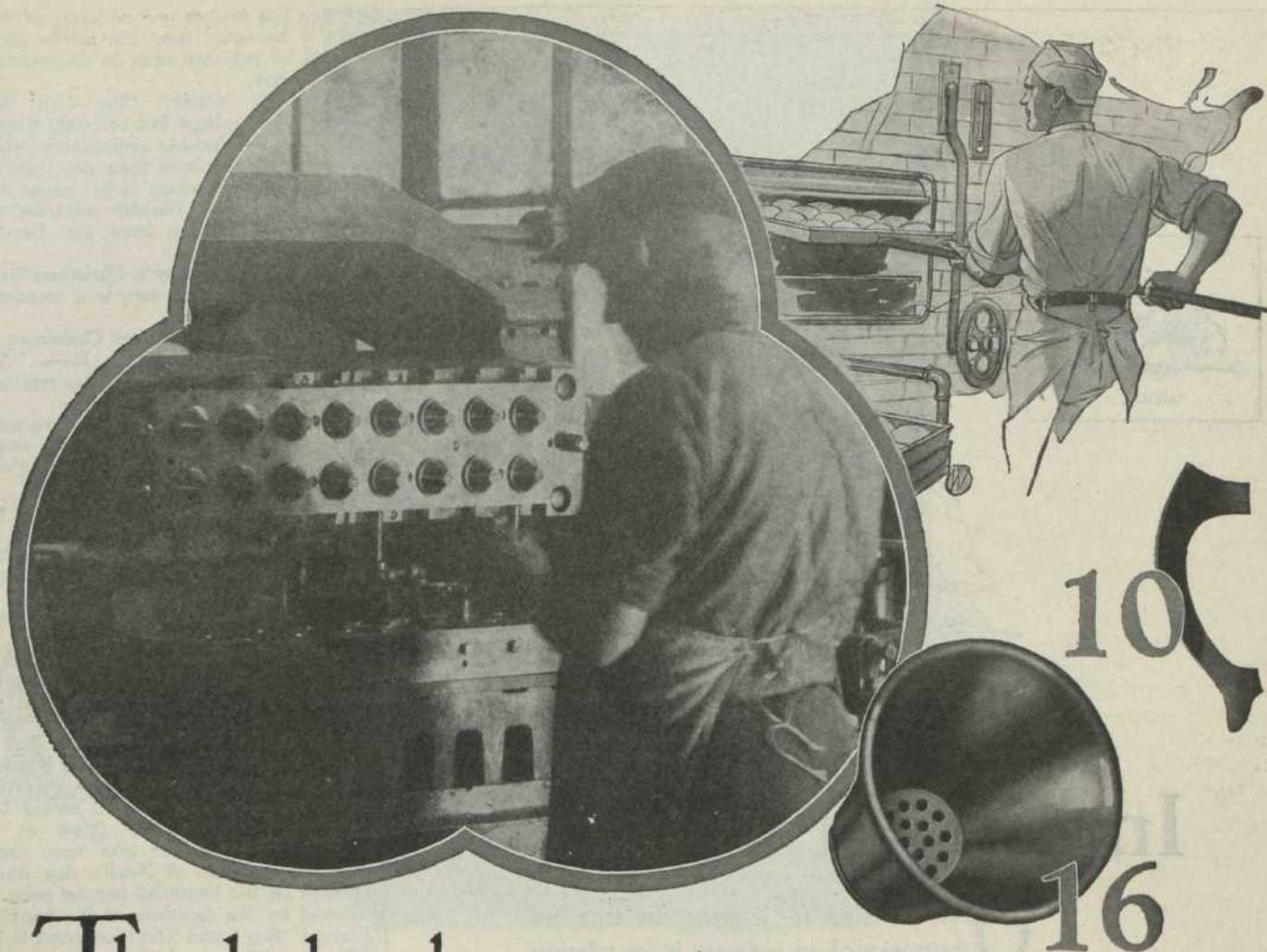
THE COMPLAINT that Richard Y. Giles voices in *Advertising and Selling* is not confined to advertisements in boys' magazines:

"Oh, Skinn-ay! I've brought my new Hole Dupp Arch Support! Isn't it a 'jim-dandy'?" Note the finely plated dissectional midriff!

"This is what stares out at me from the advertising sections of the boys' magazines. And someone receives part of his monthly stipend for producing that! Fancy something like this in your own adult magazine:

"Oh, Mr. Jones! Just look at my wonderful new cigar lighter. Why, just see how the patented reversible gadget holds the fire!"

"But boys do talk that way? No more than you. At least, not about a new hair groom or a tie-clip. Recently 'Biles,' 'Pivot,' and 'Pop' Morgan, three friends of mine, started saying, 'Oh, Skinn-ay! I've brought my new sleeve garters!' This has become a byword among the more humorous—and therefore more-to-be-envied—circles near my home. I should like to see some fellow's



The bake-shop teaches *mass production*

CONSIDER how high the labor cost would be if rolls, or buns, or cookies were baked one at a time! Yet, in many industries, hundreds of parts are produced upon a unit basis that lend themselves to mass production in Bakelite Molded.

One closing of the press completely molds 16 of the 'phone mouth-pieces, 10 of the percolator handles, 24 of the radio tube bases or 20 of the ignition coil caps. And but one man is required to operate the press.

Bakelite molded parts are strong, but light in weight; have permanent color and high lustre. They do not absorb moisture, and resist oil, heat and most acids. Metal inserts may be solidly embedded, and any necessary lettering formed in the molding operation.

Bakelite engineers and research laboratories would welcome an opportunity to cooperate with you in adapting the advantages and economies of Bakelite to your needs. Our interesting booklet No. 42, "Bakelite Molded" is mailed on request.

BAKELITE CORPORATION

247 Park Ave., New York, N. Y.

Chicago Office, 636 West 22nd St.

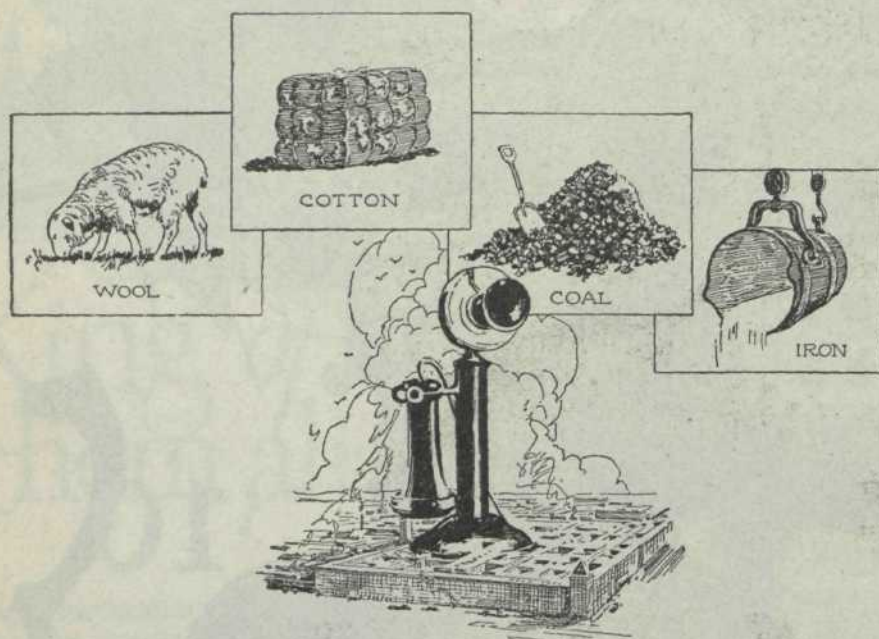
BAKELITE CORPORATION OF CANADA, LTD., 163 Dufferin St., Toronto, Ontario, Can.

BAKELITE

THE MATERIAL OF  A THOUSAND USES

"The registered Trade Mark and Symbol shown above may be used only on products made from materials manufactured by Bakelite Corporation. Under the capital 'B' is the numerical sign for velocity or sustained quality. It symbolizes the definite number of present and future uses of Bakelite Corporation's products."

When writing to BAKELITE CORPORATION please mention Nation's Business



Industrial "intake"

ONE yardstick for judging the true importance of an industry is its relation to other industries—not as to its output but rather its intake of their products.

Measured thus, the Western Electric telephone factory has an importance beyond its own walls, as a marketplace for many of the country's basic industries.

The manufacture of millions of telephones, with all the switchboards, cable and countless items of apparatus essential to telephone service, calls for vast quantities of iron, cotton, wool, coal, copper and many other materials in the raw or partially fabricated.

Thus Western Electric is a factor not only with the nation of individuals for whom it makes telephones but also with the manufacturers and producers for whom it provides a market—a striking example of the interdependence of industries.



No. 1 of a series

Western Electric

SINCE 1882 MANUFACTURERS FOR THE BELL SYSTEM

face who has written one of those advertisements if he could hear the subtle sarcasm that can be put into such an announcement by a real boy.

"'Skinn-ay,' 'Chick,' 'Tug'—all husky, healthy boys, perhaps, but certainly they wax a little bit too dumbly enthusiastic when it comes to talking about their new apparel.

"This fake enthusiasm is the cause of my loathing the B— Sweater advertisements. Here is part of one from the December *American Boy*:

"(Scene: two boys by a Christmas tree.)

"'Jiminy, Bill, that sure is a wonderfully fine sweater!'

"'You bet! It's the best Christmas present I got this year. It's a B—. Wool. Feel of it. All wearing parts are reinforced! Did you get one?'

"'No, but I'm goin' to. Dad gave me this B— Sports Coat last year to wear to school. It's as good as new. But I've got to have a heavy sweater, too.'

"This kind of advertising certainly repels me. It leers up like a personal insult. Perhaps it's because of the second boy's saying, 'All wearing parts are reinforced.' Perhaps it's partly that frightful slang. I don't quite understand what the whole cause is. But it's there.

"And another thing. 'Skinny,' 'Chick' and 'Tug' may be really delightful nicknames for boys—but in all my life of thirteen years, never have I heard of more than one 'Skinny,' and no 'Chicks' or 'Tugs.' I think that these names must be relics of a bygone generation.

"Speaking of these relics, the advertiser is not usually all there when it comes to the present-day interjections. Most of those used by the advertiser now were used by some wise prophet of Noah's day when he reflected on the bountiful harvest soon to be gathered by the members of the finny tribe. 'Jiminy!' 'Boy!' and 'Gee!' occurred in seven different ads in a single issue of a boys' magazine. Aged in the wood! I expect to see 'Banana oil!' and 'Ain't it the bee's knees?' old as they are, used in the boys' magazines when I am a hoary-haired patriarch—certainly not before.

"While we are speaking of humor I should like to mention a picture that I recollect which was unconsciously humorous. It was a watch ad that showed a picture of a college boy and his high school brother. College was holding his dollar-and-a-half watch up to High School's ear. High School was in ecstasies because he could hear the watch tick. It seems even funnier in that he held that particular cheap watch all the way up to his ear to hear it tick!"

Storage-battery Locomotives And Railroad Electrification

THE STORAGE-BATTERY locomotive is conceived as a scout or advance guard preceding the main body of the movement for railroad electrification by the *Electrical World*. It may prove a gradual and painless approach to terminal electrification.

"The largest mountain in the way of railroad electrification, whether of terminals or main lines, is apparently the initial investment required. Aldermen may pass smoke-abatement ordinances and the Solons of legislatures may make laws until they are blue in the face, but the railroads will not electrify until they feel justified in making the investment. The storage-battery locomotive may be a way out of this difficulty. Without requiring an outlay for contact systems and a continuous supply of energy and needing only a charging plug to which, as it were, it can come home at night, the battery loco-

The Development Service of Southern Railway System, Washington, D. C., will gladly aid in securing industrial locations, farms and home sites in the South



" To Shape and Use "

"... Not as idle ore, but iron dug from central gloom ... to shape and use." Tennyson knew that behind the creation of wealth lies the intelligent use of natural resources.

Beneath the surface of the Southern states lie great seams of coal, easily accessible and cheap to mine. In the same areas, and almost at the doors of the furnaces, are gigantic deposits of iron ore and limestone.

Here pig iron and finished steel are produced in steadily growing volume for use in many parts of the world. And much of it is used in building the rapidly growing South.

The natural advantages and the growth of the Alabama steel industry are typical of all Southern industry—the resources of the South are being used to build a great industrial empire.

Traffic on the Southern Railway System has increased 250% in the last twenty-five years. To handle this greater traffic efficiently, the Southern, in the same period, spent \$375,000,000 for new equipment and for enlargements and improvements on its 8,000 miles of lines serving the states east of the Mississippi and south of the Ohio.

SOUTHERN

RAILWAY SYSTEM



T H E S O U T H E R N S E R V E S T H E S O U T H

When writing to SOUTHERN RAILWAY SYSTEM please mention Nation's Business

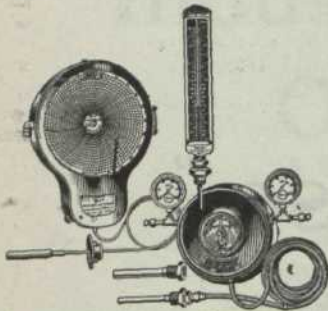


A question isn't answered . . . unless it's answered RIGHT

Fairy tales, Easter bunnies and Santa Claus may be harmless food for children, but in the big matters of life only the truth satisfies. This is particularly so of those scientific instruments which indicate human or industrial health. For the difference of a degree may mean life or death, in the human body; and in industry, success or failure.

The men who first developed the thermometer were satisfied with nothing short of the truth. The men in the Taylor Instrument Companies who carry that first development farther, to the greater protection of human life and property, are just as insistent on accuracy.

Today there is scarcely an industry, scarcely a human activity, which Tycos instruments are not protecting. They answer the questions of temperature recording, measurement and control, of weather forecast—and answer them right.



Taylor Instrument Companies
ROCHESTER, N. Y., U. S. A.

CANADIAN PLANT
TYCOS BUILDING
TORONTO

MANUFACTURING DISTRIBUTORS
IN GREAT BRITAIN
SHORT & MASON, LTD., LONDON



THE SIXTH SENSE OF INDUSTRY

Tycos Temperature Instruments
INDICATING · RECORDING · CONTROLLING

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We will give permission upon request to reprint articles from NATION'S BUSINESS in house organs or in other periodicals.

NATION'S BUSINESS
Washington, D. C.

Free 60-page Reference Book

POLK'S
DIRECT MAIL ADVERTISERS

Mailing List Catalog No. 55

GET BUSINESS BY MAIL
60 pages of vital business facts and figures. Who, where and how many your prospects are. 8,000 lines of business covered. Compiled by the Largest Directory Publishers in the world, thru information obtained by actual door-to-door canvases. Write for your FREE copy.

R. L. POLK & CO., Detroit, Mich.
POLK DIRECTORY BLDG

motive equipped with a gasoline 'kicker' (or even without it) constitutes a beginning of electrification as soon as it rolls into the yard. It is a small beginning, but so is an acorn.

"Although the first cost of electrification by the use of storage-battery locomotives is low and unit accretions to the fleet do not require large flotations of securities, there is a limit to their economical operation. For large numbers of locomotives the annual costs for battery replacements and maintenance would be much higher than the comparable annual costs of straight electrification. But before battery costs have reached alarming total proportions complete electrification will probably have been established."

The Automatic Cigar Machine Brings Back the Five-Center

EVER SINCE the last year of George Washington's term as President, men have expended time, energy, and money in efforts to devise an automatic cigar machine, according to an article by J. H. McMullin in *Commerce and Finance*. We might add that ever since the first year of Woodrow Wilson's term as President, other men have expended time and energy discussing the need of a good five-cent cigar. Now, with a practical automatic machine on the market, this wishing ought to be ended by a "Tom Marshall."

"To date it has caused hundreds of cigar makers to search for other means of livelihood. It has brought about large numbers of consolidations. It has reduced the number of smaller companies, and it promises a realignment of the cigar industry such as was effected by labor-saving machinery in the manufacture of cigarettes, shoes and glass bottles.

"And this is what it is like. Instead of a tremendous machine grinding out cigars with a roar, at the rate of hundreds a minute, one finds an instrument occupying no more space than an ordinary dining-room table. Around it are seated four girls, clad in white—one feeding the filler, the second laying the binder, another laying the wrapper, and the fourth acting as inspector. The cigarette machine makes 500 cigarettes a minute, but this produces only 8 cigars in that time. Even so, each machine replaces from six to fifteen experienced cigar makers, and after allowing for wages and royalties, it reduces labor costs per thousand cigars anywhere from \$2.50 to several times that amount.

"As one sees the automatic cigar machine for the first time, he is likely to recall the days when, as a boy, he watched the local cigar maker at work in his shop. If so, he will see all the old hand-processes repeated by the machine with a skill and regularity that is uncanny.

"First the machine takes the filler, rolls it between two canvas bands much the same as the cigar maker used to do with his hands. It cuts a binder that would be a pride to the old-time cigar maker. Then it covers the filler with this binder, and at the same time shapes the cigar. Quicker than it can be told, the machine next cuts a perfect wrapper and neatly wraps the cigar without leaving a scrap of waste. As a finishing touch it pastes the tip end.

"Strange as it may seem, this machine is a monument to the failure, near the close of the nineteenth century, of the American tobacco trust's effort to control the cigar industry. The trust, after having operated with unprecedented success in other branches of the tobacco industry, struck a snag in its attempt to obtain a controlling position in manufacturing and distributing cigars.

"As fast as the trust bought out one factory and closed it, another opened to take its place, for the obvious reason that mass production had few advantages. As the result, as late as 1920 there were in the United States more than 14,500 factories manufacturing cigars.

"Most of the old labor will find its way in other channels because the old cigar makers are not of a mechanical bent and do not take readily to the machine; also because their pride prevents them from performing by machine for lower wages the work they formerly did by hand.

"Those who have followed the workings of the machine are confident that 'women's place will be in the cigar industry,' because their temperament is suited to the work and they are willing to work for lesser wages."

What, If Anything, Will Industry Do About It?

A FEW lines of verse written by a Shreveport, Louisiana, high school girl have enough substance to them to be worth reprinting:

Eleven cent cotton and forty cent meat,
How in the world can a poor man eat?
Flour up high, cotton down low,
How in the world can we raise the dough?

Eleven cent cotton and a carload of tax,
The load's too heavy for our poor backs;
We can't buy clothes, we can't buy meat,
Got too much cotton and not enough to eat.

One phase of the farm problem that has not received wide attention is discussed by Jackson Johnson in *Capper's Farmer*. His theme is the decentralization of industry or the more general distribution of industries throughout the agricultural regions. As chairman of the Board of the International Shoe Company, he writes particularly of the experience of his company in locating various manufacturing plants in the small rural communities.

One phase that he emphasizes is the comparative absence of labor troubles:

"The workers in smaller communities are happier, healthier and more contented. In industry a labor turnover of 25 per cent a year is considered good. And labor turnover is one of the problems that confronts industries. Our city plants will average 35 per cent, but our country plants probably average 15 per cent or below."

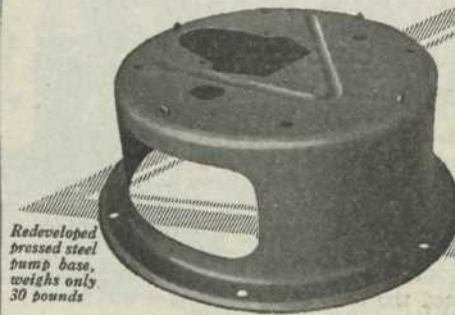
Decentralization has meant stabilization for the shoe industry, according to Mr. Johnson. "Distribution is so widespread that business depression or crop failure in one section of the country affects us little, if any."

Facts About Sugar prints a pointed editorial entitled "The Real Agricultural Problem." Its gist is contained in this paragraph:

"Scientific agriculture, in the sense of making the best use of available resources in land and labor, does not necessarily result in greatly increased yields. Under certain conditions it may be more profitable to cultivate extensively rather than intensively on low-priced lands with high cost labor. Scientific agriculture does demand, however, exact knowledge of the condition of the land, its requirements for economical production, and the ability to bring crop costs within the limit of average market prices. When the agricultural problem is generally and systematically approached from this angle it will gradually disappear as a problem, not only in the sugar industry but also in the making of all sorts of crops. Until that is done political nostrums will be of little benefit."

A TREMENDOUS COST CUT!

\$200 now buys materials that used
to cost this manufacturer
\$500



Redeveloped
pressed steel
pump base,
weighs only
30 pounds



Cast iron pump base
weighing 64 1/4 pounds.

AS a casting this gasoline pump base used to cost its maker several dollars each! And it weighed 64 1/4 pounds!

Today, "pressed from steel instead" by YPS, its cost has dropped 60%—and its weight has been cut to 30 pounds, a 53% reduction!

"Pressed steel piles up additional savings," says our customer, "by eliminating scrap waste. Occasionally piles of these castings would topple and several units were sure to be broken. And right now the easier assembling of the pressed steel bases cuts down the piece work on this particular assembly job."

Without a doubt pressed steel can bring you similarly valuable advantages. Redeveloping even the smallest casting you now use into a pressed steel part may save you thousands of dollars a year—and improve the part besides! Send samples or blueprints of any of your castings—or if you are developing a new product or redesigning an old one, it will pay you to get in touch with our redevelopment engineers right at the start. We'll tell you without obligation how much you can cut your costs with pressed steel, and better the product.

THE YOUNGSTOWN PRESSED STEEL CO., Warren, Ohio
New York—501 Fifth Ave. Chicago—927 Straus Bldg.

"Pioneers in Pressed Steel Redevelopment"
Agricultural Automotive and Industrial Pressed Steel Parts



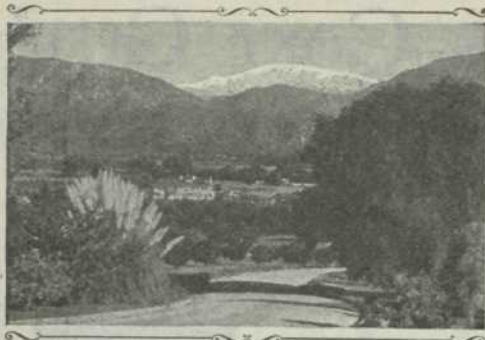
Adventures in Redesign—The example here is only one of the hundreds of pressed steel redevelopments we have made. "Adventures in Redesign" is a booklet that relates equally remarkable instances wherein "pressing from steel instead" has reduced weight, increased strength and vastly improved the character of products for almost every branch of industry. Ask your secretary to mail the coupon today.



"Press It from
Steel Instead"

The Youngstown Pressed Steel Co., Warren, Ohio
Please send me a free copy of "Adventures in Redesign."
Name.....
Company.....
Street.....
Town..... State..... N.B. 3-27

When writing to THE YOUNGSTOWN PRESSED STEEL CO. please mention Nation's Business



A landscape at Flintridge—near Pasadena.

Every Man Needs At Least One Summer Like It



BUSINESS cares, the responsibility of home, social requirements—have left you in need of change, new interests and rest.

But mainly change—complete, absorbing change of scene, change of people, change of type of country even. You need not go abroad, or outside the United States.

Summer is the period that Californians like best, because it's the rainless season and no day is spoiled for fun. Evenings are so cool that blankets are required nine nights out of ten.

The average mean summer temperatures in a central city for the past fifty years (U. S. Weather Bureau records) are as follows: June, 66; July, 70; August, 71; September, 69—a grand average of 69 degrees for fifty summers. Humidity is always low. Where else could there be a finer summer climate? And where else so much to see and do?

See giant forests and vast wildernesses. Go up Mt. Lowe, over 5000 feet in height, by trolley.

Take in the wide variety of famous ocean beaches, quaint Old Spanish Missions, mountain trails for horseback riding, renowned golf courses, fishing, hunting, camping grounds, enormous moving picture studios, or canyon nooks with cottages where one may merely lie in hammocks and read and rest all day in pure, sweet air.

Come Now or this summer. Enjoy the rejuvenating change. Find here, too, a great industrial empire, of special interest to business men.

In planning your trip here, you can if you wish, arrange a circle tour to see the entire Pacific Coast from San Diego to Vancouver—your railroad ticket agent will explain. Low rates in effect on all railroads from May 15th to October 31st.

We have issued probably the most complete booklet on vacations ever printed. 52 pages, illustrated. Just send a post card to address below and get a copy free. All Year Club of Southern California, Dept. 3-Q, Chamber of Commerce Bldg., Los Angeles, California.

Southern California
All-Year Vacation Land Supreme

THE city of Los Angeles, with a population of well over a million, is the largest city on the Pacific Coast and is the hub of one of the country's richest agricultural communities.

The growth, wealth and marvelous resources of Southern California are indicated by the following facts and figures pertaining to the County of Los Angeles alone:

Value of Agricultural and Live Stock Products (1925), \$86,912,744; Value of Citrus Products (1925), \$23,241,503; Oil Production (1925), 140,000,000 bbls; Harbor Imports (1925), 4,156,177 tons. Harbor Exports, (1925) 16,154,566 tons; Total Harbor Tonnage 20,310,743.

A producing season of 365 days a year permitting year 'round crops.

Recent Federal Trade Cases

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Editor of NATION'S BUSINESS, Washington, D. C., without charge by reference to the docket numbers. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—Editor's Note.

THE COMMISSION'S order in its Docket No. 1133 has been reversed by the United States Circuit Court of Appeals for the 2d Circuit (*Ostermoor and Company v. Federal Trade Commission*). The Commission had issued an order against respondent, a mattress manufacturer, for using a trade-mark consisting of a picture of a mattress with one end opened up so as to disclose expanded superimposed layers of compressed cotton. The Commission found the picture exaggerated the extent of the expansion, the actual expansion being from 3 to 6 inches instead, as the picture indicated, of 35 inches or more. With one dissent, the Commission ordered the practice discontinued. In reversing the Commission's order, the Circuit Court said in part: "As pointed out by the dissenting Commissioner...., even the slightest exaggeration, within the limits of legitimate trade puffing, would fall under the Commission's condemnation. But the statutory power to prohibit unfair methods of competition can not be stretched to this extent; the slightest pictorial exaggeration of the qualities of an article can not be deemed to be either a misrepresentation or an unfair method of competition. The time-honored custom of at least merely slight puffing, unlike the clear misrepresentation of the character of goods as in the *Winstead Hosiery Company* case, has not come under a legal ban.... We can not... concur in the interpretation of the pictorial representation upon which the order is based.... The pictures clearly assume to show the final stages in the construction of the mattress, the thickness and resiliency before compression and not afterwards; a mattress in process of manufacture, not one completed and after some unknown time and unknown use, ripped open again. And there is no testimony that such representation is a misrepresentation of the unfinished article or of the materials or of the process of utilizing them in the manufacture of the mattress. Concededly it is an exaggeration of the actual condition; indeed petitioner asserts that it is not and was not intended to be descriptive but fanciful and as such, the subject matter of valid trade-marks.... It is our judgment that the pictorial representation of the process of manufacturing... even though exaggerated as to their characteristics, can not deceive the average purchaser and the record is practically bare of any evidence of actual reliance upon the puffing exaggeration of qualities. There is no basis for the finding that 'substantial numbers of purchasers had been misled and deceived by the grossly exaggerated pictorial representation.'

PROCEEDINGS before the Federal Trade Commission, or related to its activities, for the month are related here. The most significant items are:

Circuit Court of Appeals rules against Commission on puffing in advertising.

"Philippine Mahogany" case reopened.

Certain methods of maintaining resale prices ordered discontinued.

THREE cases in which orders were entered last July have been reopened by the Commission (Docs. 1281, 1316 and 1332). In these dockets the Commission had prohibited the description of "Philippine mahogany" on woods grown in the Philippines. One of the Federal Trade Commissioners filed a memorandum of dissent to the issuance of orders. The cases were reopened upon the representation by respondents that a material witness from the Philippines was not able to arrive here in time for the former hearings. There are four other cases still pending before the Commission on the same question which will be affected by the reopening of the three in which orders have been entered. The Philippine government is an intervenor in these cases on behalf of the respondents. Appeal to the United States Circuit Court of Appeals for the 9th Circuit from one of the

orders now reopened (Doc. 1332) is still pending (*Jones Hardwood Company v. Federal Trade Commission*).

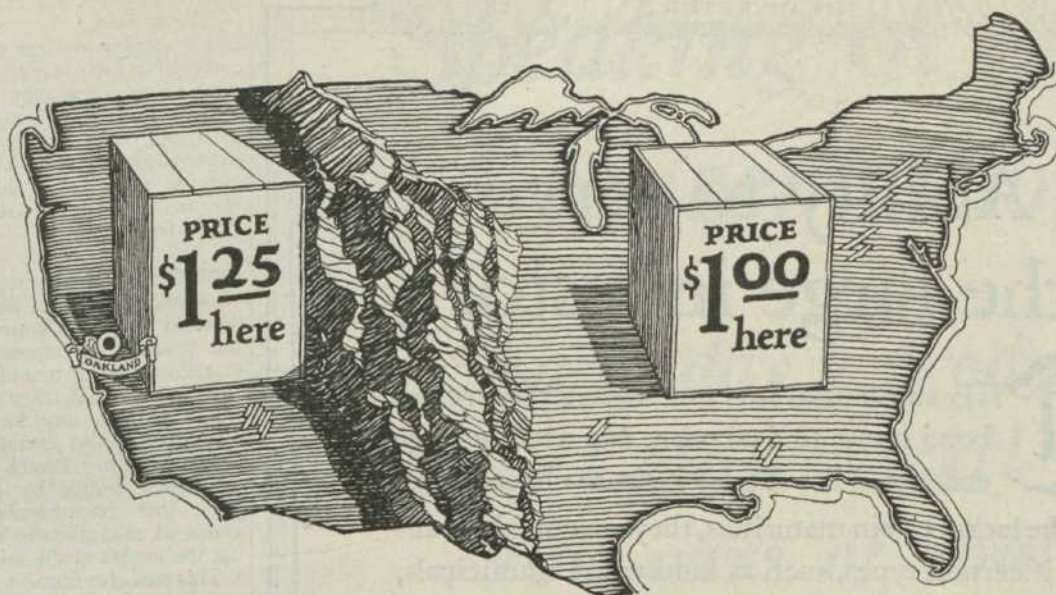
ASODA fountain drink mixing machine manufacturer of Racine, Wis., has been ordered to discontinue certain resale price maintenance methods. The Commission found that the company manufactures about a third of the drink mixing machines sold in the United

States and that it markets them through about a thousand dealers and that it used several methods to secure the maintenance of its fixed resale prices.

According to the findings, the respondent, through correspondence and its salesmen, requested its dealers' cooperation by reporting the names of price cutters, and in order to get written agreements from dealers to observe the specified resale prices the company sent out a circular letter and follow-up which resulted in about 700 of its dealers pledging to maintain the specified prices. The other 300 dealers were removed from the company's list of customers.

These practices, the findings conclude, resulted in the company's resale prices being generally maintained with the effect of preventing dealers from selling the machines at lower prices and thus suppressing and hindering competition in respect to respondent's products in interstate commerce. Docket 1308.

IN THE January issue we carried an item concerning a coal bureau operating in the states of Iowa, Minnesota, North Dakota, South Dakota, Nebraska, Kansas, and Missouri which was ordered to cease and desist from certain practices found by the Commission to be unfair methods of competition. In the item we made the statement that "The respondents also published a trade paper in which false, derogatory and damaging reports were made concerning the quality of coal handled through irregular channels." We wish to correct this statement, the coal bureau does not publish the paper. The charges against the paper were dismissed but the bureau was prohibited from supply-



Are your selling prices... "slightly higher - west of the Rockies"?

PICK up 'most any magazine. You'll still find a few national advertisers using this outgrown phrase. There was a time when the Western market could be supplied most advantageously from the home factory although the resulting freight charges made necessary—"Prices slightly higher West of the Rockies".

Oakland Offers:

Central location in West. Fast rail and ship service. Excellent labor. Good working climate. Low power rates. Abundant raw materials.



But that day has passed. With 11 million people "West of the Rockies", there is little excuse for continuing to burden western buyers with trans-continental freight charges.

Modern methods of selling and distributing have taught manufacturers that they can best serve a major market by being "on the ground".

Oakland has been proved the logical place to locate western factories

and warehouses. Already, 120 national manufacturers have chosen Oakland.

Investigate Oakland. The advantages it offers these leading industries may interest you. Let us send you a copy of "Industrial Oakland". It is full of pertinent facts and information.

Or better still, have us prepare a special technical survey for your particular industry. This will be done gladly on request of any business executive.

Industrial Department, Oakland Chamber of Commerce



This advertisement of Oakland and Alameda County—the West's fastest growing industrial district—is produced co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors.



**Ask
for it!**

OAKLAND [AND ALAMEDA COUNTY] CALIFORNIA

"Industrial Capital of the West"

BONDS TO FIT
THE INVESTOR

Ability to serve the large investor

THE substantial investor seeks a resourceful bond house to deal with. He needs a large and varied list of bond issues to choose from.

If he lacks certain maturities, they are quickly available; if certain types, such as industrials, municipals, public utilities, he can get them widely diversified.

The recommendations made to him are not only based upon first-hand experience; they can also be carried into effect by supplying the very securities his situation requires.

For this reason, large investors, banks and institutions regularly entrust us with the building up of their holdings, selected and diversified with a definite end in view.

This is a service from which the smaller investor also can derive particular benefit. We are glad to render it.

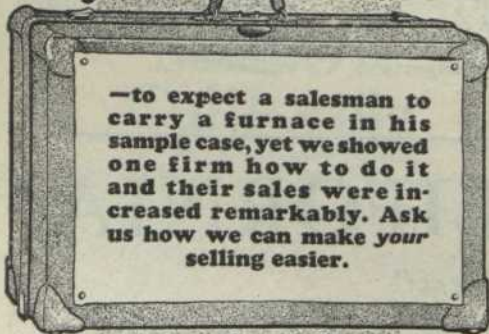
We have prepared a chart to help investors analyze their requirements so that in buying bonds they will select issues which fit their needs. We shall be glad to send you this chart without obligation.

HALSEY, STUART & CO.

INCORPORATED

CHICAGO NEW YORK PHILADELPHIA DETROIT CLEVELAND
201 S. La Salle St. 14 Wall St. 111 South 15th St. 601 Griswold St. 925 Euclid Ave.
ST. LOUIS BOSTON MILWAUKEE MINNEAPOLIS
319 North 4th St. 85 Devonshire St. 425 East Water St. 608 Second Ave., S.

It Seemed Beyond Reason



Knickerbocker Case Co.

227 No. Clinton Street
CHICAGO

(3477)

Figures in a Hurry— Not Hurried Figures

Send your inventory and other emergency computations to a skilled organization of public calculators. 48-hour accurate service.

ATLAS CALCULATING SERVICE
19 W. Jackson Boul. Chicago, Ill.

OLD COINS

Rare Coin Book 50c. Worth \$5.00 in comparison to other coin books. Fully illustrated. Money refunded if not satisfactory.

Gutttag Bros., 16 Exchange Place, N. Y.

ing them with "information concerning sales made by particular shippers to alleged irregular trade for the purpose of notifying so-called regular dealers of such sales and of compelling such shippers to discontinue such sales or to forego the patronage of regular dealers" . . . "of supplying information to the paper concerning purchases made by particular buyers alleged to be irregular, for the purpose of notifying shippers that said buyers are not recognized as entitled to buy direct from them."

TWO individuals engaged in selling furniture as a firm in Philadelphia have been directed by the Commission to discontinue the practice of representing themselves as manufacturers or manufacturers' agents when the fact is that they have no connection whatever with any furniture factory. The Commission also found that the use of the slogan "Factory Direct to You" misleads the purchasing public by causing them to believe that respondents were selling their goods at manufacturer's prices, thereby saving the profits of the middleman.

This was also found to be an unfair practice and was ordered to be discontinued. (Docket 1143.)

AN INDIVIDUAL in New York City who sells hosiery by the house-to-house canvassing method has been directed by the Commission to discontinue the practice of misrepresenting his hosiery as silk and himself as a manufacturer.

The Commission found that in his trade literature and advertising matter and on the containers in which his hosiery is packed he presented it as made from silk and himself as its manufacturer.

It was found that the hosiery contained about 14 per cent silk and 86 per cent artificial silk and that this individual had no connection whatsoever with any hosiery mill (Docket 1317.)



The Tomb of Woodrow Wilson at National Cathedral, Mt. St. Albans, Washington, D. C.

Shall Government Grade Fabrics?

By Herman Blum

President of Craftex Mills, Inc.

REPRESENTATIVES of some thirty textile trade associations met in New York last December. This meeting will go down in textile history as of epoch-making importance; for a practical scheme for dealing with the problem of color fastness was there proposed.

A committee had been working for over a year on the problem of misbranding. At this meeting it presented its findings. Briefly summarized, they were: that the use of guarantees be abandoned; that use of such terms as "unfadeable," "absolutely sun fast," and the like be discontinued; that standard tests be defined and described for determining the grade of fastness of dyed fabrics; that three grades, the best of fast colors, good colors, and commercial colors of no particular fastness, be set up; and that grading of fabrics be established as a trade practice and violation of this involve prosecution by the Federal Trade Commission.

Obviously, once these classifications are set up, it will be as culpable to call, say class 2 (good colors) class 1 (the best of fast colors), as it is now culpable to call a metal "sterling" that is not 98.01 per cent fine silver.

Education of the public to the significance of these terms would not be difficult. It is generally understood what grades "A," "B" and "C" mean in regard to milk. It would not be a task to popularize similar gradings in regard to fabrics.

Standard Labels to Be Used

TO carry out the proposals will be the job of trade associations and their individual members. The first step that has been taken is the preparation of labels for goods in accordance with the standards adopted by the committee. The label, Class 1, will mean that fabrics have been dyed in the fastest colors available. This does not mean that the colors will last forever or that we have discovered a dyeing process that makes our goods faster than those of our competitors.

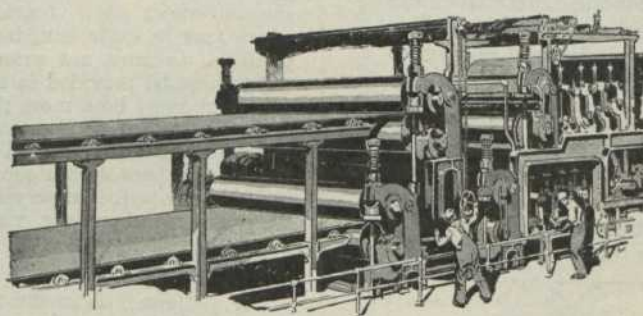
Of course, the responsibility for the truthfulness of the label rests with the firm putting out the goods. To make the label in the form of a guarantee does not increase this responsibility.

The industry will continue to produce millions of yards of worthy fabrics dyed in classes other than 1, for there are many purposes for which the other classes are perfectly satisfactory. Their value need not be discriminated against by comparison with Class 1.

I have proposed the establishment of a definite organization for the regulation and running of the plan by the industry. When such a body starts to operate, there will be no need for government regulation of the industry. It will realize our dream for clean and fair competition and proper merchandising ethics for the industry.

Speaking of Conservation . . .

Each day's production of Celotex will save 900 cars of coal . . .



IN a mammoth plant near New Orleans, gigantic machines are producing an amazing lumber.

This amazing lumber is Celotex. It is not cut from trees but manufactured in broad strong boards from the tough fibres of cane. It is enduring . . . scientifically sterilized and water-proofed. Celotex is stronger in walls than wood and many times better as insulation . . . yet costs little or nothing more to use.

In the walls and ceilings of a house, Celotex shuts out heat in summer and keeps in furnace heat in winter. It cuts fuel bills from 25% to 35%. The fuel saved by one day's output of Celotex based on its service in homes of average life, amounts to 900 cars of coal.

There is no question about the effect Celotex is having on American building practice. In five short years, more than 90,000 homes have been built this modern way. With this same lumber, thousands more have been remodeled.

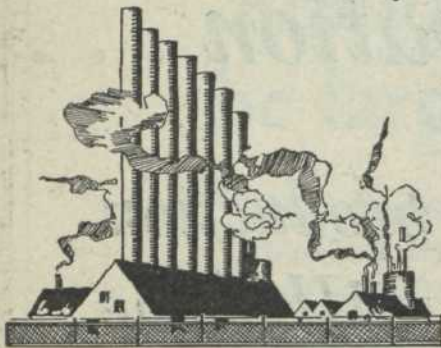
The growing demand for Celotex has increased production twenty-five times in five years. Today, it is one of our basic industries. And against the vanishing forests and coal mines of America stands Celotex, the Insulating Lumber that builds the comforts and economies of insulation into America's homes.

Complete information about Celotex may be secured by addressing The Celotex Company, 645 N. Michigan Ave., Chicago, Illinois.

CELOTEX

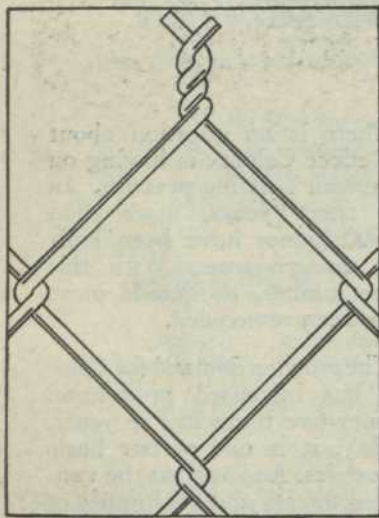
INSULATING LUMBER

Insure Your Property This Easy, Economical Way



HERE'S protection that can be relied upon to keep out the trespasser—to stop constant leaks and losses from an unguarded premises. It is the American Chain Link Fence that today is protecting hundreds of industrial properties throughout the United States.

Easily installed, easily and cheaply maintained, American Chain Link Fence gives you perfect protection. The sturdy chain-link, galvanized mesh illustrated below accounts for its long life.



Now is a good time to investigate the benefits of this form of property insurance. Let us show you how *economical, dependable* American Chain Link Fence can cut down plant maintenance costs for you—how it can give you security that no other protection offers. A letter addressed to our Chicago Office will bring full information. *No obligation to you.*

AMERICAN WIRE FENCE COMPANY
7 South Dearborn Street Chicago, Illinois
Factory: Libertyville, Ill.

AMERICAN

CHAIN LINK

Manufacturers of Superior Wire Fence for over 25 years

Ourselves as Others See Us

TRAVELING Americans like to hang up their coats and trousers, for they do not fold them up and put them in drawers as many Englishmen do, warns the *Spectator* when **They Must Think Everyone's a Fireman Here** good-naturedly prodding British hotel keepers into active support of the "Come to Britain" movement. For the most part, British provincial hotels fall far behind the standard demanded in America, and the *Spectator* feels sure that

if Americans are to visit us in the spring, autumn, and winter, our hotels must be properly heated; no hotel can claim to rank as first-class without central heating. Stay-at-home Englishmen may think that Ameri-



cans overheat their hotels and houses, which may be quite true, but our personal predilections must not enter in. Running water must be provided in every bedroom, and there must be a more plentiful supply of bathrooms. Electric reading lights and telephones should be placed by every bed; the electric light switch should be accessible from the bed. Larger wardrobes should be provided where the visitor can hang his clothes.

But perhaps it is in the matter of food that the country inn leaves most to be desired. Americans are great fruit eaters. Plentiful supplies of fruit should be supplied at every meal. They are fonder of salads than we are; therefore, lettuce, tomatoes, celery and radishes should be always available in season. Many Americans like brown bread, and all like good coffee. The most patriotic Englishman cannot pretend that the coffee usually served in British hotels is comparable to that obtainable on the continent. Again, the meals served in our trains are not, as a rule, equal to those to be had in American and Continental trains.

This counsel may be taken to heart in view of the possibilities puffed up by the *Spectator*, for it declares that

every owner of a motor car in America—and there are twenty million of them—is a potential visitor to Europe.

To THE MIND of the Right Hon. William Graham, member of Parliament, much of the large scale development of American industry conveys valuable material for the instruction and guidance of British labor. Writing in *Foreign Affairs* on industrial problems, he points his pen to showing the "conservative and cautious" outlook of the American Federation of Labor, of which he says that

it is opposed to direct participation in political activity; it has no basic Socialist principle; apparently it does not believe that the Government should engage in private industry. But the same labor organization presses for the penetration of industrial capital by the resources of the

unions, and pleads that organized labor should itself enter joint insurance enterprise. American employers are endeavoring to weaken the Federation by the formation of special company unions of their own working forces; to this tendency the Federation replies by redoubling its effort to extend its membership and to appeal to millions of women engaged in industrial occupations.

But enormous numbers of American working men and women are the real owners of the vast reserves held by the life insurance companies; in fact, the ownership of these reserves is spread over twice the number who voted in the last presidential campaign. . . . Politically, therefore, American labor appears to be conservative; economically, it is beginning to get the upper hand of narrow capitalism by replacing that capitalism with the powerful accumulation of its own resources. Be it observed that the process is only beginning; great vested interests in the United States will doubtless in due course put up their genuine fight.

To ONE BRITISH JOURNAL the proposal to apply the Treasury surplus to tax reductions or tax rebates seems "reprehensible"; to another the recommendation that any remissions should take the form of

An Older Plan Was "God Help the Surplus"

a reduction in the first two payments done in 1927 rather than any change in special taxes or a permanent reduction of taxation seems "sound and cautious." Of the plans for the application of the surplus the *Nation & Athenaeum* says:

Mr. Mellon at the Treasury has a surplus on the year of some 76 millions sterling, which, Mr. Coolidge observes, is not much larger than is required for a going concern of nearly 800 millions sterling. Recently he was in favor of distributing the bulk of it in rebates on income tax already paid, but he is now in favor of reductions in the payments becoming due before midsummer, 1927. In view of the cur-



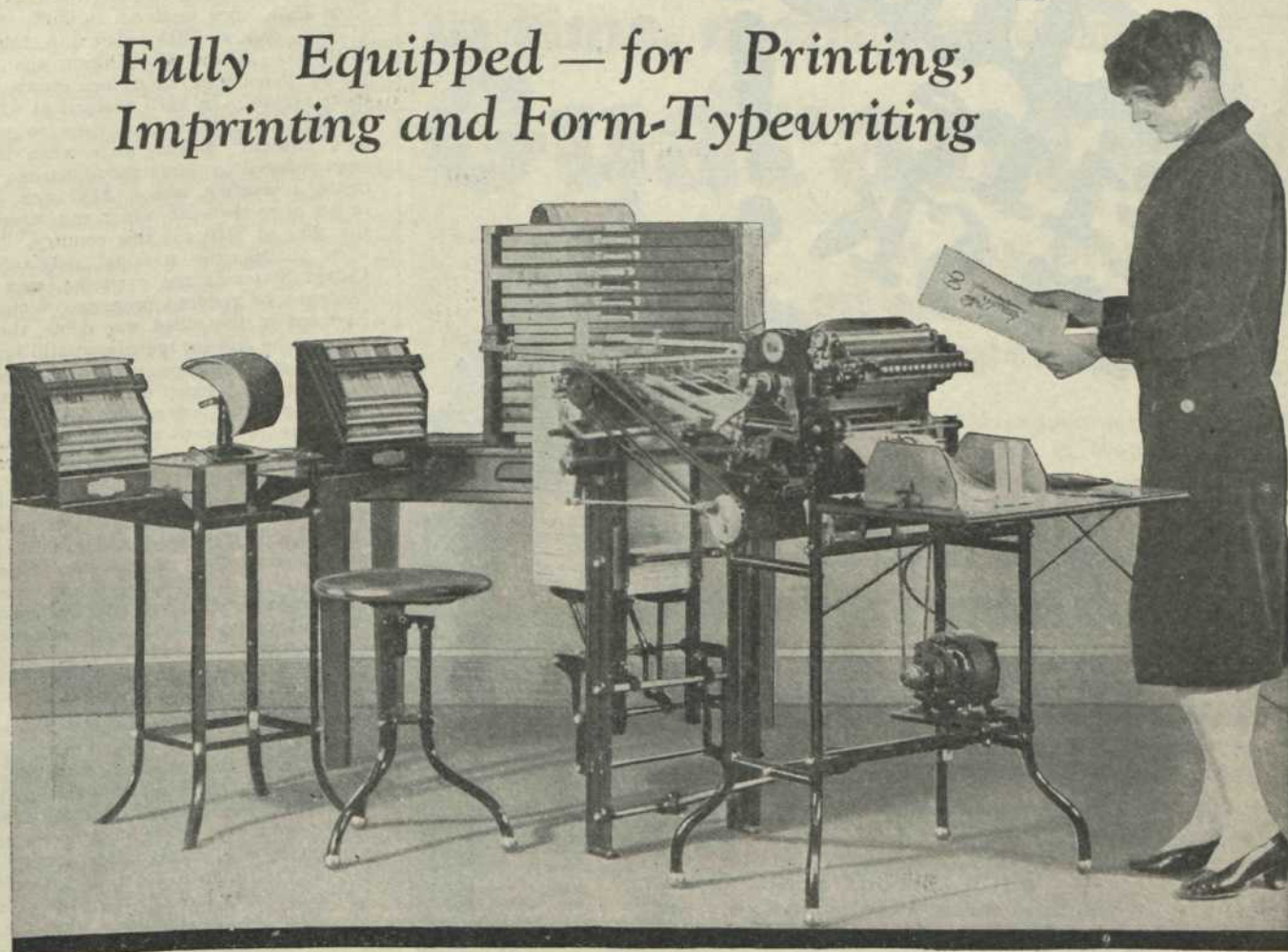
rent doubts as to the continuance of the trade boom, either plan would, according to British fiscal notions, seem reprehensible.

A divergent view of the recommendations, held by the *Times*, professes to see a "cautious prosperity" in the course urged by the President, a course which that journal contends is "justified by the canons of conservative finance." To quote:

There are, of course, two methods of disposing of a surplus; the money may either be applied to the reduction of the public debt or it may be returned into the pocket of the taxpayer. While leaving the choice between these alternatives entirely to Congress, the President wisely remarked that with a national debt amounting to \$19,500,-

Here it is—Complete

*Fully Equipped — for Printing,
Imprinting and Form-Typewriting*



Three things which every business man should know:

I. The printing Multigraph has demonstrated that it is a profitable investment under each of the following conditions:

1. When used for printing in general. 2. When used for imprinting only. 3. When used for form-letter work only. 4. When used for a combination of 1, 2 and 3, such as obtains in the average business. In other words, it can handle a great variety of work; but does not have to have that variety to show a handsome profit.

II. Twenty-two years of experience have given us considerable knowledge of the vocational application of the Multigraph. We, therefore, can give you information about its

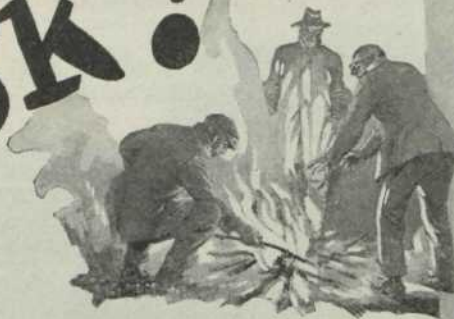
application to your particular line of business, and in many cases tell you how it is being used not only to save money but also to stimulate sales. A letter on your letterhead addressed to W. C. Dunlap, Vice President, Multigraph Sales Co., Cleveland, will receive immediate individual attention.

III. Demonstration at one of our Division Offices is the best way to see exactly what this equipment can do, and how it does it. If you live in or near one of the fifty cities where we maintain offices, our Division Manager will make the appointment to suit your convenience. Ask us for his name and address.

THE AMERICAN MULTIGRAPH SALES COMPANY 1806 EAST 40TH STREET, CLEVELAND, OHIO

the printing **MULTIGRAPH**

Reduce fire risk!



Keep tramps, neighborhood boys and others who start fires, a safe distance away from your plant.

No trespasser can get past an unclimbable Anchor Chain Link Fence.

An Anchor Fence insures safety—and it insures lasting service. Its high carbon steel line posts, heavy galvanizing and other features of enduring construction mean years of effective protection.

Anchor Sales and Erecting Service is nationwide. A phone call, wire or letter puts it at your disposal.

ANCHOR POST FENCE CO.

Formerly Anchor Post Iron Works

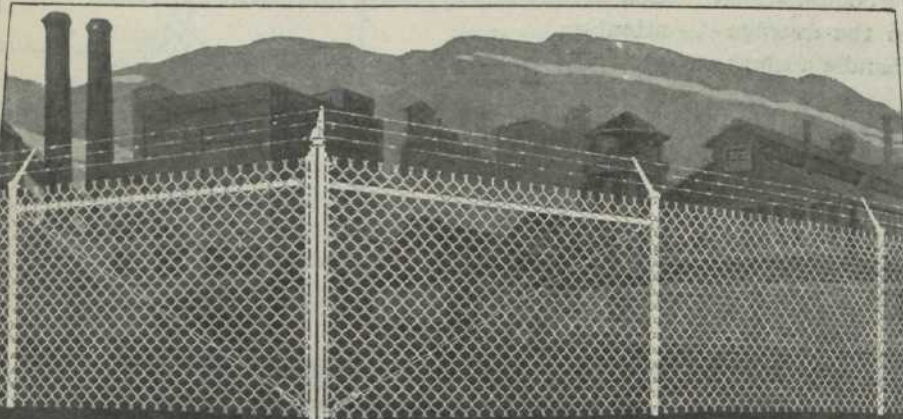
9 East 38th St., New York, N. Y.

Branch Offices and Sales Agents in Principal Cities

ANCHOR

CHAIN LINK

Fences



"BUY THE FENCE WITH THE STRONGEST POST"

000,000 "a surplus can be no embarrassment."

The burden of taxation per head in the United States, though it does not approach the formidable British total of £15 2s. 6d. per head, has multiplied itself by four since 1913, since it stood at \$6.80 (about £1 4s.), and in 1925 reached a total of \$29.60—i.e., about £6. During the same period the public debt has grown even more rapidly. In 1917 it stood at \$2,912,000,000; by 1919 it had risen to nearly 25½ milliard* dollars, since when it has been reduced by some six milliards. This figure represents about \$180 per head, rather more than £36, which compares with the sum of £160 for this country. Thus, even though the national debt of the United States is not excessive, and it is likely to be reduced progressively by the payment of the allied war debts, there is much to be said for reducing it still further, since every reduction means an improvement in the credit of the Government against a future emergency. Moreover, it is clearly proper to take advantage of a period of exceptional prosperity to reduce debt.

THE ENGLISH MIDDLE CLASS is accustomed to consider itself ill-used, and it must suffer some shocks, the *Manchester Guardian Weekly* thinks, when it

**It's Not So
Much Income
As Outgo**

hears the salaries on which responsible professional men in other countries are expected to

live. For instance,

Even in wealthy America the professional man does not always enjoy a better standard of living than one following the same occupation in England, although his living sounds far higher and his taxation is certainly far lower. Both in America and in Europe it is infinitely more profitable to buy and sell than to teach or administer. Commerce may have its risks, but its prizes are none the less immense when matched with those available for a servant of the state or university.

IN THEIR DESIRE that the whole subject of war debts be reopened, with America taking part in the conference, the signatories of the

Columbia University manifesto use arguments which the *Spectator* says "are not for us to support, though we are glad to record them." The signatories point out that the debt payments to America are fixed on the basis of a "presumed capacity to pay" through a term of sixty-two years, and they argue that this presumed capacity is mere guesswork. In the *Spectator's* appraisal:

The manifesto on war debts which has been signed by Dr. Nicholas Murray Butler, the distinguished president of Columbia University, and by forty other eminent members of the faculty, is a very remarkable and important sign of the flow of opinion in the United States. Although we welcome the generosity of the manifesto, as we would welcome political generosity anywhere, we must not be understood to make it an excuse for supporting any claim against America for the remission of debt. If America ultimately decides to remit or lessen our debt and other European debts, she will do so as a matter of public policy, believing that she is taking a wise, practical, and just course. But so long as she regards our debt to her as comparable with an ordinary business

* A thousand millions.

debt we shall continue to regard it in the same manner.

The signatories of the manifesto propose that an international conference should be called to review the entire problem of the debts. They do not postulate cancellation, though that would not be excluded. They point out that even after America had come into the war the Allies continued to bear the brunt of it, and they argue that for this reason alone the Allies should not be required to repay money which was thrown into the common cause.

THE POSSIBILITY of saving a billion dollars a year by revising the alphabet and by new spelling, considered by the English Language

Horsepower of at Philadelphia, is advanced by the *Manchester Guardian Weekly* to a consideration of the energy which would be freed by applying Dr. Godfrey Dewey's earnest recommendation. Whatever of fame there is in making the proposal must be shared, for the *Guardian* tells its readers that

he is not the first of his countrymen to play with ideas of this kind. Some time ago a crusade was started in the States for the abolition of the hyphen in all com-



pound words. The crusaders calculated that each of the 200 million people who use English write at least three hyphens a day. As half an ounce of energy is required to make a hyphen with pen or pencil, this superfluous symbol, they contended, entails a total waste of some 19,000,000 pounds of muscular force a day—or enough energy to draw a heavy passenger train around the world. But this is to leave out of account the possibility that if the millions were not making hyphens they might be getting into worse forms of mischief. It is very unlikely that they would immediately devote their unexpended energy to hauling trains.

SOME AMERICANS are fond of referring to themselves as hundred-per-cent Americans in order to distinguish themselves from those who might be called 75

A Job for the Bureau of Standards

or 50 per cent Americans, but are more commonly called "dagos" or "wops," says St. John Ervine when considering the "hundred-per-cent genius." In the *Spectator* he gives his supposition that

there is more virtue and patriotism in a man who happens to have been born in a country—though that is an accident that happens to all of us somewhere—than there is in a man who chooses to attach himself to it.

But what an odd thing that should be, for no man selects his birthplace or his race, and it would seem, therefore, that the man who naturalizes himself in a country ought to be more loyal to his adopted country merely because he has adopted it, than a man who, without his volition, was born in it.

30% Saving in time, money and material Guaranteed

**in any business,
on all woodworking
operations**



This ball bearing band-saw is a real money maker anywhere. Operates from any light socket.



This bench jointer and planer is just one more Wallace money maker. All are portable and operate from light sockets.



A portable Universal saw—a marvelously convenient machine which operates from any light socket.

Wallace
PORTABLE MACHINES
BELTLESS—
Attach to any
light socket

You can now take advantage of a most unusual guarantee made by J. D. Wallace & Co. to every business enterprise, large or small, wherever wood is worked.

They positively guarantee that "The Wallace Idea" will save upwards of 30% in time, money and materials on all woodworking jobs.

Amazing results are obtained in increased production by this new system of bringing portable planers, saws and other woodworking machines direct to the job. Maintenance engineers, factory managers and construction superintendents find that the hardest jobs are handled quickly and easily, as well as hundreds of small jobs that have always been done by high-priced hand labor.

Wherever Wallace Machines are not now used, a saving of at least 30% is guaranteed.

The Wallace Idea MAKES MONEY BY SAVING IT

- 1 To save wasted steps by placing machines at the elbow of the workman.
- 2 To save time and energy by moving the machines to the material instead of bulky material to the machines.
- 3 To eliminate hand work with a convenient machine capable of handling a range of work from heavy cuts on large stock to the most exacting work on the smallest pieces.
- 4 To save investment by working machines of the proper size to capacity.
- 5 To build portable woodworking machines which possess a maximum of power at a minimum expense.

FREE TRIAL—Guarantee Offer

We are ready to prove the value of the Wallace Idea without cost to you. We will put one or more Wallace Portable Woodworking Machines in your shop or on any large or small construction job, and let you see how they speed up production, eliminate waste of time and effort, save material, and do a better job. The coupon or your letterhead will bring complete information without any obligation of any kind.

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You may send me complete information about Wallace Portable Woodworking Machines, with facts about jobs on which they have saved money, together with complete details of your guarantee to save 30%.

Name.....

Firm.....

Address.....

Kind of Business.....

Associated Gas and Electric System

Founded in 1852

58% Executives 10 Years Service

Men in the public utility industry remain in it remarkably long because of the large amount of business experience and technical training required to succeed in it and because of the satisfaction to them in supplying public service.

By actual count of all executives and department heads in the Associated System, 77% have served their respective properties 5 years or more, 58% 10 years or more, 23% 20 years or more, 14% have passed the quarter century mark, and 4% have served 35 years or more.

Good service means more than generating plants and transmission lines. Without efficient and courteous men and women the finest central station would fail in its purpose.

The long service of so large a proportion of executives within the Associated System not only provides continuity in management but makes possible the quality of service which can only come from seasoned experience.



Associated Gas and Electric Company

Incorporated in 1906

Write for our Illustrated Year Book

Associated Gas and Electric Securities Company

61 Broadway

New York

Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable the title or serial number, the source, and the purchase price are included in the item. We will be glad to furnish them to our readers at the price the Government charges.

TENTATIVE CROP REPORTING DATES have been set for the first six months of 1927 by the Crop Reporting Board of the Department of

Agriculture. These dates have been set pending the issuance of crop regulations covering dates for the entire year, unless other dates within the particular months be prescribed by law or amendment to the regulations.

March 8, 2 p.m., reports on stocks on farms and shipments out of county of corn, wheat, oats, barley, and rye.

March 18, 2 p.m., report on intentions to plant spring sown crops except corn.

April 8, 2 p.m., reports on condition of winter wheat, rye and pasture; also reports on condition in certain states of peaches, orange trees, lemon trees, and grape fruit trees.

May 9, 3 p.m., reports on area remaining for harvest, and condition of winter wheat and rye; stock of hay on farms; condition of hay, meadows, and pasture. Also reports on condition in certain states of peaches, oranges, lemons, grapefruit, apricots, cherries, and almonds.

May 17, 11 a.m., revision of the report on acreage and yield of cotton in 1925.

June 9, 3 p.m., reports on condition of winter wheat, spring wheat, oats, barley, rye, hay, pasture, apples, peaches, pears, oranges, lemons, grapefruit, apricots, cherries, olives, prunes, plums, almonds, and walnuts.

THE BUREAU OF STANDARDS publishes each month in the Radio Service Bulletin a list of broadcasting stations which maintain their frequencies close to the assigned values and, by virtue of fulfilling certain additional conditions, are of value to the public as standards of frequency. A letter circular just issued by the Bureau gives the requirements necessary for broadcasting stations to meet in order to be included in this list. A copy of this Letter Circular No. 214, Requirements of Constant Frequency Stations, may be obtained upon application to the Bureau of Standards, Washington, D. C.

IN CONNECTION with tests of a puncture sealing compound for one of the government departments, the Bureau of Standards had occasion to look into the general question of puncture sealing compounds for pneumatic tires. Although several different methods are employed to make pneumatic tires self-sealing or, as is usually stated, "puncture proof," a common way is to inject suspensions of fibrous or flaky materials into the inner tube. Many compounds of this type have been put on the market in the last thirty years, and a search of the various patents shows that the principle on which the majority of them operate is the same.

The Bureau is preparing a circular which will be issued shortly, covering the various phases of this subject. In particular, arguments which are advanced for and against the use of such materials, as well as the

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time and labor in every department of business, with an added economy in operation.

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It's easy to get full information, with complete sets of sample forms furnished many satisfied users who regard the COM-PAK as a business necessity.

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Dayton, Ohio., Dept. A
CERTAINLY—You may send us, without obligation, full information, with actual forms showing how the COM-PAK will benefit our business.

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THE EGRY REGISTER COMPANY

Dayton Ohio

usual questions which are asked concerning them, will be taken up.

IN VIEW OF THE DIFFERENCES arising in the past over confusing and improper names given to market woods, the Forest Service of the Department of

Forest Service Agriculture urges the uniform use of distinctive names for woods common names for trees and woods as protective measure for consumers as well as for the sake of good trade practice.

So far as practicable, different trees and woods should bear distinctive common names and these names should be uniformly used, according to the Forest Service, which advocates concerted efforts to prevent adding to the present confusion through getting into circulation further misleading and ill-chosen names. In selecting standard common names of trees and woods in the forthcoming Check List of Trees in the United States not only for its own use, but for furnishing helpful guidance to the interested public, the Forest Service has used the following principles:

1. The names of different trees and woods should be clear-cut and distinctive.

2. So far as possible, a tree and the lumber cut from it should be called by the same name.

3. Attempts to standardize common names are met at the outset by pre-existing common names for most trees and woods. Preference should be given to the most widely used common name, provided it is not misleading. Artificially coined names should be adopted only as a last resort. This principle applies not only to native but to foreign woods.

4. Common names of trees and woods should, so far as possible, follow the major botanical groupings of trees. There are limits, however, beyond which common names cannot follow botanical grouping. The botanical distinction of species may be based on characteristics too minute or inconspicuous to be easily recognized as the basis for distinct common names, as in the numerous species and varieties of basswood.

5. When botanical differences among species and varieties of a genus are too slight to serve as a basis for distinctive common names, a group name should be applied.

6. Ordinarily a distinct generic common name should be used for each member of a botanical genus unless (a) firmly established usage of the same common name for two or more genera (such as the name cedar for *Juniperus*, *Thuja*, *Chamaecyparis*), or of two or more generic common names for different members of the same genus (as Butternut and Walnut for genus *Juglans*) prevents the adoption of the principle but does not lead to deception; or unless (b) two or more genera are so closely related botanically and their woods are so nearly identical in structure, properties, appearance, value and usefulness as to be to all intents and purposes the same.

ESTABLISHMENT of a tobacco market reporting service at Lynchburg, Va., representing the Virginia dark tobacco district, and another at Lexington,

Tobacco Market Reporting Inaugurated Ky., has been announced by the Department of Agriculture. Other markets are to be added to

the service later in the season, the reports to be distributed by a representative of the department at each market.

Essential features of the reports are that they represent typical markets in recognized tobacco type districts, they are based on the types adopted in the official classification of American grown tobacco, and they analyze each week's sales on the basis of official groups of grades.

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TOWERING structures require for their facing a material which combines strength with the lightness necessary to ready hoisting and handling at great heights. Also beauty of color and plastic adaptability to the requirements of ornamental grace. Terra Cotta excels in the readiness with which these primary requirements may be obtained without excessive cost. Write for literature on the type of building you may have in mind.

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(On behalf of the Terra Cotta Industry in the U. S.)

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WATKINS GLEN • NEW YORK
WILLIAM E. LEFFINGWELL, President

"EVEN BETTER STEAM GENERATION"

—is a book which will interest you. It presents in a new light the part that *informed management* is playing in power economy.

Packed into the few pages of this book will be found the gist of twenty years' experience of the Fuel Engineering Company organization, and that of its clients' executives, in making industrial steam generation a smooth-running, precisely controlled, economical process.

A COPY OF THIS NEW BOOK
will be sent to any business
executive, upon request.

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NEW YORK

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ESTABLISHED 1907

England Needs Trade Groups

THERE is obviously something more substantial than mere politeness in the amazement and admiration which have been expressed in England by individuals and groups lately returned with firsthand information about the bases of prosperity in the United States. Some of the investigators frankly avowed their purpose to discover "the secret of high wages" in America, but, for the most part, the visits to representative industrial cities were directed to understanding of broader considerations of our vigorous economic development.

Amazing Growth in America

THE contrast between the rapid growth of prosperity in this country and the critical situation in Britain has focused the interest of the British press on the earnest eagerness with which American business capitalizes new practices and discards old, and on its generous readiness to share the knowledge gained in research and in experiment.

Wisely skeptical of any cure-all that might be imported and advocated with irresponsible enthusiasm, British newspapers and journals of opinion do see promising precedents in the pioneer accomplishments of American business.

Characteristic of this point of view is the position of the *London Times*, which it defines with pointing out the decisive differences between Britain's slavish observance of distrustful individualism and debilitating traditions, and America's exhilarating freedom from unreasoning secretiveness and medieval suspicions. To this newspaper's way of thinking,

"It is a strange paradox that this country, which has been the leader in industry and invention for many generations, is so lamentably slow to adopt new ideas in regard to the organization of business.

"The basis on which British commercial supremacy has been built is individual enterprise, and it is still true that nothing can take the place of personal initiative, but the small concern that boasts its splendid isolation is becoming more and more handicapped in competing with industries organized on a national or even in some cases on an international basis. In fact, the day of the small independent manufacturer who holds aloof from all trade organizations is, except in rare cases, rapidly passing away.

"Today the great majority of manufacturing firms must, to a greater or less extent, work in cooperation with others in the same line of business.

"The tendency of modern business is towards combination and organization with a view to reduction of costs, efficiency in manufacture, and effective distribution. Slowly but surely it is being realized that old-fashioned methods good enough for our fathers are now obsolete, and, if persisted in, must lead sooner or later to the decay of once flourishing businesses.

"The reluctance of British business men to depart from their habit of strict individualism is nowhere more noticeable than

in the general unwillingness to supply to some central body information that renders it possible to make a comprehensive survey of the position for the guidance of all concerned.

"In the United States and other 'new' countries there is a tradition of a very different kind.

"There early settlers learned to cooperate in other ways for mutual protection against hostile tribes, marauding beasts, and other dangers; the community spirit became firmly implanted, and the descendants of the pioneers still preserve some of the characteristics that distinguished their forefathers. Thus it comes about that in the United States there is very little difficulty in obtaining information or in getting firms to cooperate in other ways for mutual benefit.

"An instance of this communal spirit is seen in the membership of the United States Chamber of Commerce, which represents more than 1,000,000 concerns. A visitor has infinitely less difficulty in obtaining access to American works than to British; the average business man in America welcomes publicity for what he is doing.

Cooperation of Government

"BUT most remarkable of all is the willingness with which American business men cooperate with the Government of the United States in matters affecting the internal administration of trade. While our Department of Overseas Trade is constantly the object of misinformed criticism in Parliament and elsewhere, the Secretary of Commerce in the United States has ample funds at his disposal and is assured of the hearty support of the business world in investigating economic problems and in assisting cooperative effort.

"We are entirely in sympathy with those who deplore any tendency to depreciate British methods by those who know little about them, and are merely concerned to secure self-advertisement, but that is entirely different from intelligent efforts to enlighten the British public on the methods successfully adopted abroad. The plain fact is that we have a great deal to learn about other countries that it would be extremely useful to know.

"Unquestionably there are some things that they manage better abroad, and at the moment there is no direction in which it is more desirable to make progress than in the practice of cooperation between firms for mutual benefit."

All of which will furnish food for thought to that diminishing lukewarm number of American business men who still see as through a glass darkly the benefits to be gained for their industry and themselves of hearty cooperation with and through their trade associations and chambers of commerce.

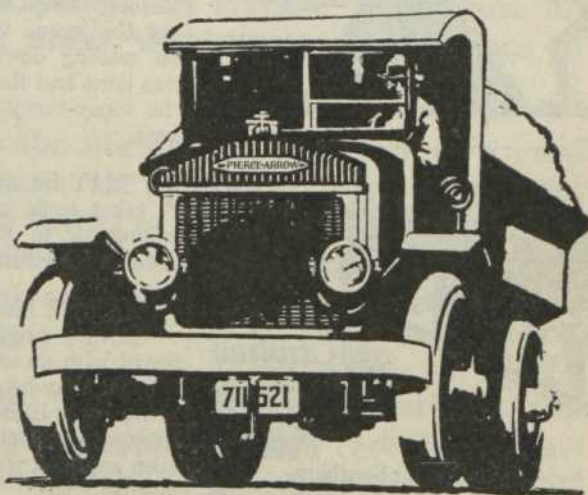
What the esteemed *Times* is saying to its industrials is that the collective intelligence of an industry or a community intelligently directed is worth more than the best of individual effort.

LESS COST

Less loss of time *on* the job and *off*~
less loss through wear~~less loss in
repair bills ~ less loss when re-sold

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Dual-Valve..Dual-Ignition
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and up for chassis, f. o. b. Buffalo, N. Y.
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valuable booklet, "Efficiency
Uses for Colored Pencils."

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PAPER PENCILS
In thick and thin leads



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Industries. Four radiating trunk
line railroads, eight steamship
lines in world commerce, eco-
nomical electric power, abundant
labor, mild climate, pure water,
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available factory sites on deep
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TOURIST AND CONVENTION
BUREAU
CHAMBER OF COMMERCE
Charleston, S. C.



Chips from the Editor's Work Bench

By Raymond C. Willoughby

NO MARKED abnormal features affect-
ing agriculture were discovered in the
Weather Bureau's review of last year's
weather—"conditions were rather unfavor-
able for development of some of the major
crops, but were unusually favorable for
others, with the general result as to yield
satisfactory." Even if one of these post-
mortems should reveal the total depravity
of the weather, no exposure can shake the
tradition that the weather is the country's
oldest unfinished business. Not always has
the weather agreed with the constitution,
but no one can say it is un-American.

ONLY a few more weeks and Spring will
again come tripping down the lanes of
April. And praise be, her annual homecom-
ing is now attended with an earnest of our
own progressiveness. The springtime re-



verberations of wooden and wire beaters
thwacked against backyard lines of rugs
and carpets are echoes from an earlier day,
thanks to the invention of the vacuum
cleaner. Small wonder that people used to
say the season was backward. There was
no settling down until the housecleaning
was done and the dust settled. Those were
the topsy-turvy days, the maddest of the
year.

IT MAY be that the tendency to invest
takes such costly precedence over the
willingness to investigate because of the
usual order given by dictionaries.

THAT bill before the Massachusetts leg-
islature, providing for a state publicity
board with an annual expense allowance of
\$50,000, may help to put community ad-
vertising on a higher plane. Too frequently,
the touting of civic virtue's local color has
been confused with the hue and cry of local
murder trials.

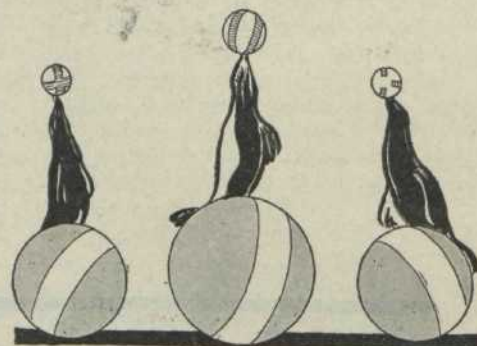
THE FAMILIAR two-dimension sorties
of tax gatherers are in a fair way to be
expanded to three, for considerable "lost"
property is now being found by means of
aerial photography. Representative of this
sort of survey are the operations over five
towns in Connecticut—Middletown, Man-
chester, East Haven, Berlin, and Rocky
Hill. The total appraised valuation in each
town was increased, but the enlarged tax-
ing field made possible a lowering of the
old rate.

In Middletown alone, the aerial survey
revealed 1,896 buildings on which taxes had
not been paid previously. There it was
discovered that, of the 248 stores on Main

street, 79 were omitted from the tax list.
With the addition of the "lost" buildings,
the list was increased from \$20,500,000 to
\$31,500,000, and the rate reduced from 30
to 24 mills. Sixty days were required to
map the municipal area of 42 square miles.
The cost was \$4,000. At Manchester, the
list was raised from \$35,000,000 to \$52,000,-
000, and the rate reduced from 18 to 13
mills. Remarkable revisions to the benefit
of the taxpayers were accomplished in the
other towns.

Possibly these precedents may help to
amend belief that airplanes are only good
for elevating taxpayers to the altitudinous
levels of tax rates, now up above their
heads so high that they seem more related
to the substance of another planet than to
this world's goods. But with our citizenry
still skittish at official snooping, there can
be no immediate expectancy of a general
welcome to the reported blessings of official
swooping.

VAUDEVILLE, too, may agree that the
first hundred years are the hardest. To
invite that conclusion is the flourishing con-
dition of the "two-a-day" on the nation-
wide observance of the centennial of its
establishment. A highly proper piece of
stage business was the bow made by the
theatrical world to the memory of the "re-
fined variety" presented a century ago at
the LaFayette Theatre in New York by
Monsieur Villavele and his company. On
the authority of that modest precedent
later showmen hitched their bankrolls to
stars of other varieties. The proof that
they played a good hunch is in the present
prosperity of the "big time." Trained seals,
sister acts, patter and all, vaudeville has
contrived to put laughter on an economical,
mass-production basis, and probably no one
will grudge it a happy centennial celebra-
tion. Certainly no other American insti-




tution has greater resources for giving an
attractive birthday party. May the en-
cores never grow less.

FIFTH AVENUE has just lost one of the
merchant names that helped to give it
fame and fortune. The jewel house of
Dreicer has shut up shop and is no more.
In 1868, when Jacob Dreicer established
Dreicer & Company, he probably did not
foresee that his house would assemble many
of the great pearl collections acquired by
American families, for he was a pioneer in
proclaiming the beauty of pearls in an age



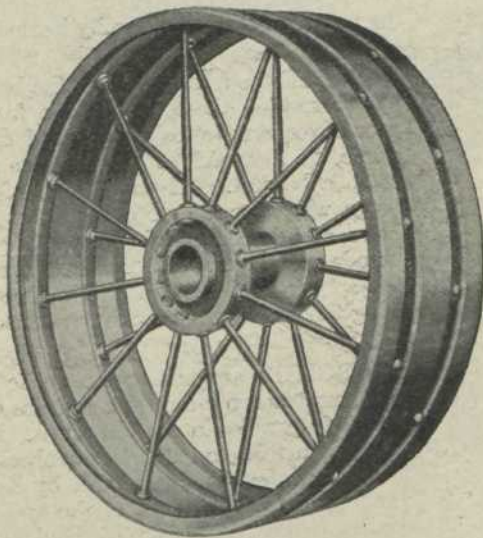
Aiding Progress

 **THE** last important step in the progress of agriculture is the development of the modern combine. The wheel requirements of this efficient device are extremely exacting.

The oldest manufacturer of combines in America uses **FRENCH & HECHT** Steel Wheels exclusively. These wheels permit the machine to do more effective work under widely varying conditions of service.

They add to the life and dependability of a good combine because the wheels themselves, without adding undue weight to the machine, are practically permanent. Their great strength and rigidity withstand all jolts and side thrusts with never a sign of weakening.

The vast and highly specialized experience and facilities of **FRENCH & HECHT** are at the service of any individual or industry using wheels.—Write.



French & Hecht design and manufacture more steel wheels than any other organization in America for:

*Farm Implements
Industrial & Farm Tractors
Road Making Machinery
Motor Trucks
Buses & Trailers
Baggage Trucks
Wheelbarrows, Carts
and other equipment.*

FRENCH & HECHT

Wheel Builders Since 1888

DAVENPORT, IOWA

SPRINGFIELD, OHIO

FRENCH & HECHT

STEEL WHEELS

The Securities of the Bell Telephone System are based on Service



THE physical properties of the System have a book value of more than \$2,800,000,000, but besides that there is a scientific and technical force of 5,000 people engaged solely in seeking to further develop the science of telephony and to improve methods for making the service better. The activities of this force furnish dependable assurance of continued improvement in the plant of the System and its service to the public.

The stock of A. T. & T., parent company of the Bell System, can be bought in the open market to yield a good return. Write for booklet, "Some Financial Facts."



BELL TELEPHONE SECURITIES CO. Inc.

D.F. Houston, President
195 Broadway NEW YORK

"The People's
Messenger"



that regarded diamonds as the symbols of success.

The Civil War had ended only three years before, and the country was still adjusting itself to new distributions and amalgamations of wealth. Everywhere the bounty of this economic upheaval was put on display. The chrysalis of a glittering social life was being born on Fifth Avenue. Diamonds glowed as brightly as Franklin stoves in family drawing rooms. They shone on heads, on necks, on fingers, on shirtfronts, and on stomachs, and no one lacked for assurance that "them 'at has 'em wears 'em."

At that time, when diamonds were trumps with most gem dealers, Jacob Dreicer staked his fortune on pearls and won. To the literal minded, a pearl is only the concretion of lime in the shell of a mollusk. To Jacob Dreicer, a pearl was the pure essence of beauty, the most exquisite of all gems, the one gem that could adorn all types of woman's beauty. He lived to see the carriages of the city's *grandes dames* lined up in front of his store "just to let the world behold." During the fifty-nine years his firm was in business, the sales of pearls amounted to more than \$100,000,000. So one man's faith scotched the repelling superstition that pearls were the tears of the hopeless, and exalted his treasures to the prized distinction of family heirlooms.

WHILE the frost is still on the baseball turnstiles, there is still time for outdoor advertisers to make capital of the old riddle, "a houseful, a holeful, you can't catch a bowlful." The right sort of campaign will capture eyes on roofs, at knot-holes, and on the towering slopes of grandstands and stadiums. "Smoke" once did for answer to the riddle, but in these bustling times, why not "watch our smoke"?

CIRCUSES are finding the traffic problem too much for them and are calling off their parades in the big towns. Beginning with this season, the Hagenbeck-Wallace show will broadcast music by its band and by singers in place of the traditional street parade. A feature of the daily radio hour, so the announcement says, will be the roars of wild animals, offered in greeting to children in the next town on the route. There is a complication for the small boy. Will he know the menagerie roars from the howls of static? Never could he be fooled on the inimitable rumble of a circus wagon. At the price of its abolition, progress is likely to seem only a drab mockery of life's bright zest and color.

THE BUSINESS of governing and the business of clowning will be put on a more professional basis, if projects announced from Rome and from Moscow live up to advance notice. In Italy the Fascisti are interested in providing training for a new ruling class, in forming "among promising youths an aristocracy of faith and ability to guide the future destinies of the ship of state." And now Russia is expecting direct benefits from its new clown academy. Establishment of these two institutions does no reverence to belief that no training is needed for politics or panto-

Frame These Dates In Your Mind

MAY 2-3-4-5

Monday Tuesday Wednesday Thursday

FIFTEENTH ANNUAL MEETING
Chamber of Commerce of the United States
WASHINGTON, D. C.

Discussion of New and Vital Business Subjects.
An Opportunity for Making Unusual Business Contacts.
Also—Recreation.

OFFICIAL NOTICE

In accordance with the by-laws and as determined by the Board of Directors, the Fifteenth Annual Meeting of the Chamber of Commerce of the United States will be held in Washington, D. C., Tuesday, May 3 to Thursday, May 5, with the National Council Meeting Monday, May 2.

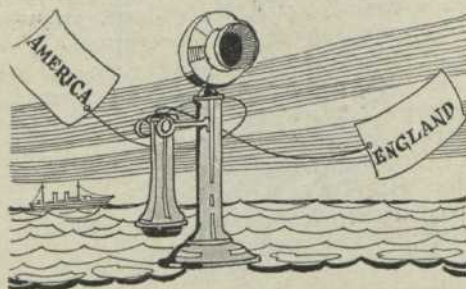
D. A. SKINNER, Secretary.

When writing to BELL TELEPHONE SECURITIES CO., INC., please mention *Nation's Business*

mime, though always there has been suspicion of a common bond between the two occupations. Perhaps exchange professorships could be arranged—then the clown might master the dumb show of politics, and the oligarch learn the art of the false face.

EVEN though no one said, "Let's make 1926 a big patent year," a total of 44,750 patents were issued. That figure was less by 1,700 than the record made in 1925—a circumstance to give the pessimist fuel for contending that the number of patents is determined by prosperity, and that the drop in 1926 argues a less propitious state of the nation. Against that filmy claim is the satisfying surety of national resources of mind capable of keeping up an average of 860 patents a week. A people so agile mentally can never suffer a depression from dry rot.

PERHAPS the greatest blessing of transatlantic telephone connection is the value it puts on time. At \$25 a minute, the urge will be to get down to business and talk without flourish or delay. Busy



ears across the seas are not likely to welcome the preliminary lip service of "hello, hello," and "just hold the wire."

ALONG with the usual stock-taking at the beginning of the year was the two-thousand billions of dollars' valuation put upon human life in these States. Authority for the figure rests on expert actuarial opinion given to the meeting of the American Statistical Association at St. Louis. On the basis of 115,000,000 useful heads, this tremendous appraisal of human energies signifies a per capita value of about \$17,500. Now, the national wealth is about \$400,000,000,000, and the national income approximately \$80,000,000,000. In the statisticians' calculations they reckoned that five times the present aggregate of national wealth will be produced during the estimated term through which the human energies now effective will be applied, and the wealth-producing capacity of the average American is put between twenty and twenty-five times his annual income. It is plain enough that by far the greater part of the wealth so produced will be consumed.

No one would contend that an estimate of national or individual worth could be conclusive, though it well might be charged with suggestion and text for debate. For specimen, in the reasoning at St. Louis, an average of nearly \$20,000 was assigned as the worth of a man, and about \$15,000 as the worth of a woman. So predicated, the national average for both sexes works out to about \$17,500, but by what authority

BLAW-KNOX STANDARD BUILDINGS

Lowest Cost Per Year



Not MONUMENTS - *but real factory buildings*



In an age of steel, the steel building, standardized in design, has inevitably arrived.

The Nation is dotted with vacant Industrial Buildings in which architecture has made a monument to extravagance.

Thousands of BLAW-KNOX Standard Buildings in use have proven the economy and efficiency of this all steel construction.

With seven standard types offering practically unlimited variety in ground plan, BLAW-KNOX Standard Buildings make

it possible to meet both immediate need for building and to anticipate future additions or rearrangements.

They can be erected as single, double, or triple buildings, or as single buildings, to which units may be added on one or both sides. Extensions in length can always be made by the addition of the same standard units.

BLAW-KNOX Standard Buildings are widely used for Machine Shops, Warehouses, Weaving Mills—wherever one-story construction is required. They are weather-tight. They are quickly and easily erected, under our supervision, if desired.

You will find our Catalogue interesting—write for it.

BLAW-KNOX COMPANY

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New York: 30 E. 42nd St.
Chicago: Peoples Gas Building
Baltimore: Bayard and Warner Sts.
Detroit: Lincoln Building

Birmingham: Brown-Marx Building
Buffalo: Genesee Building
Cleveland: 516 Union Building
Philadelphia: 604 The Colonial Trust Bldg.



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When writing to BLAW-KNOX COMPANY please mention Nation's Business

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No matter for what purpose you want a loose leaf device you can find it in the Kalamazoo line. From binders for mechanical accounting to small pocket price list binders for salesmen.

For a score of years this company has specialized in the production of loose leaf equipment; today they offer the most complete array of loose leaf devices on the market.

You are surely considering the benefits to be obtained by standardizing the equipment of your office. Kalamazoo is the one line you can safely standardize upon, knowing that all of your needs can be filled with devices that meet your needs adequately.

KALAMAZOO LOOSE LEAF BINDER COMPANY

Factories at Kalamazoo, Mich., and Los Angeles, Calif.
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**USE
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LOOSE-LEAF-DEVICES-AND ACCOUNTING-SYSTEMS

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The Center of Many Rapidly Expanding Markets

Lakeland has more than eighty thriving industries.

Lakeland is the metropolis of one of the richest counties per capita in the United States.

Lakeland is a home city of substantial folk who work hard and play hard and who find ample facilities for both.

A winter in Lakeland will win you away from Northland snow and sleet forever.

Because of its stability and permanent wealth—

Because of its ideal combination of fertile farm lands, sunshine, kindly climate, natural resources, central location and community cooperation—

Because it is the center of many rapidly expanding markets and has excellent rail and highway facilities reaching out to these markets—

Because demand is far in excess of supply—

These and many more reasons make Lakeland a very desirable city for industrial investments.

Our Industrial Department has recently completed an industrial survey which should be of interest to you. Let us send it to you without obligation or cost to you. Address:

Lakeland CHAMBER OF COMMERCE

210 Orange Street
Lakeland, Florida

Wives of Business Men

THE difference between office and household economy often causes astonishment and confusion to business men. Their wives mean well, but as for method — !

The household budget is the answer. We have sent thousands of our budget sheets to wives who have attacked this problem.

If you, sir, care about ordered and reasonable expenditure and saving — that is, the introduction of your business methods into your home — we recommend the John Hancock Home Budget Sheet.

Your local John Hancock office will be glad to send you a copy or one can be obtained by writing to Inquiry Bureau,


LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

197 Clarendon St., Boston, Mass.

NB

Chamber "Do's" and "Don'ts"

VI—Industrial Promotion

By Colvin B. Brown

Manager, Organization Service, Chamber of Commerce of the United States.

WHAT CAN a local chamber of commerce do to aid the industrial development of its community? Such work may be divided into two parts—finding out what you have to sell and then selling it. The chamber should find out definitely with facts, figures, and comparisons just what lines of manufacture an informed business judgment thinks may be profitably carried on in the particular locality. That means translating local conditions into their dollars and cents value to a particular manufacturer. The costs of getting raw materials to the community must be found out, the costs of manufacture (wage rates, power costs, etc.) must be figured out, and the costs of reaching the prospect's market must be worked out. Besides these questions, the chamber should find out similar costs elsewhere.

The key to these questions is the industrial survey which is of value only as it is freed from local prejudice. For the chamber cannot change the economic aspects of the community, although it can, of course, demolish artificial barriers. The survey checks the wishes, hopes, and aspirations for more factories against the facts of resources and facilities for new factories.

Among the principal purposes of an industrial survey, as they have been set forth by George C. Smith, formerly consultant, Baltimore Association of Commerce, are:

1. To ascertain the natural resources, including mineral, agricultural, timber and other products.
2. To ascertain the industrial resources, including available labor supply, both skilled and common; fuel, power, proximity to raw material; transportation facilities, both rail and water.
3. To ascertain the condition of industrial operations, including the costs of labor; costs of fuel and power; costs of materials and of transportation; taxes; labor unions; labor turnover, seasonable demand for labor; restrictive state and local legislation.
4. To ascertain the social conditions; the cost of living as to foods, rents, clothing, fuel, etc.; housing conditions; racial character of the labor supply; schools and colleges; parks; playgrounds; theaters; churches; streets and their conditions; sewers; water supply; general and local factors affecting the health of the community.
5. To ascertain the conditions of trade, including wholesale and retail establishments, their markets and sources of supplies; public markets; commission merchants, etc.
6. To ascertain the financial conditions: banks and trust companies; building and loan associations; investors, depositors, etc.
7. To locate definitely suitable tracts of land for factory sites; for trade centers; for housing developments; for community centers.
8. To facilitate the preparation of briefs setting forth these conditions and submitting arguments and plans for the future development of the community both socially and industrially; to show what industries are needed and can be properly fostered to round out the community's economic development and remove the industrial slack existing.

The above is the fact-finding side of industrial promotion. The selling side has a number of important angles and one part of it is to give prospects this information as it would apply to their businesses. It must

always be remembered that the more facts and the less fiction the sounder the results will be. Business men can get the facts for themselves, and sometimes do. The chamber's job is to help them get the facts. To believe that arguments other than facts locate industries is to discredit business judgment and engineering ability. Both industrial prospects and chambers of commerce have a common interest in finding the most profitable location for any given plant.

Right now some of my readers are saying to themselves:

"Well, Smithville, down the line, got that shoe factory because they gave them a bonus."

I can't deny that. But there are two points to be remembered when discussing the bonus. Either the shoe factory was unduly influenced by the bonus and allowed itself to be placed in an uneconomical location which will mean ultimate failure and consequent damage to the community or the shoe factory made a sound decision in spite of the bonus. In that case the bonus need not have been given, for the economies of the location would have attracted either that plant or another one.

The bonus is an artificial stimulus and interferes with what ought to be chamber as well as business policy; that is, locating factories on the basis of superior economies. The fact that a chamber can carry out its avowals in that line was strikingly illustrated not so long ago in the case of an eastern city which was being surveyed for a silk mill. It developed that this city was not an economical location for the plant, and the chamber so told the manufacturer. The company located elsewhere and sent the chamber a picture of their large plant with the note:

"See what you missed. You are no chamber worthy of the name."

Chamber Knew Community

THERE are not many of these incidents. It is hard for most communities to realize that an immediate large outlay can be counter-balanced later by a failure. But this chamber knew its community and acted on its knowledge even though the company did not appreciate the service the chamber had performed for it.

With better understanding of industrial development problems has come the realization that a large part of a community's growth comes from within. More attention is being given to helping the struggling plant already established in the community.

There is no one method for reaching prospects. Men engaged in a given line of manufacture may be circularized. Trade journals may be read. A community advertising campaign may be carried on. All are methods of getting in touch with men engaged in certain lines of industry on which the chamber has decided to concentrate as a result of the facts it has uncovered. Many chambers feel that their own members are their best source of tips on worth-while industrial prospects.

Modern scientific community building efforts are a great step forward from the early spasmodic uninformed attempts of local chambers to grab factories. Circus barker methods have been replaced by continuous, informed, honest, and scientific appraisal of a community's resources.

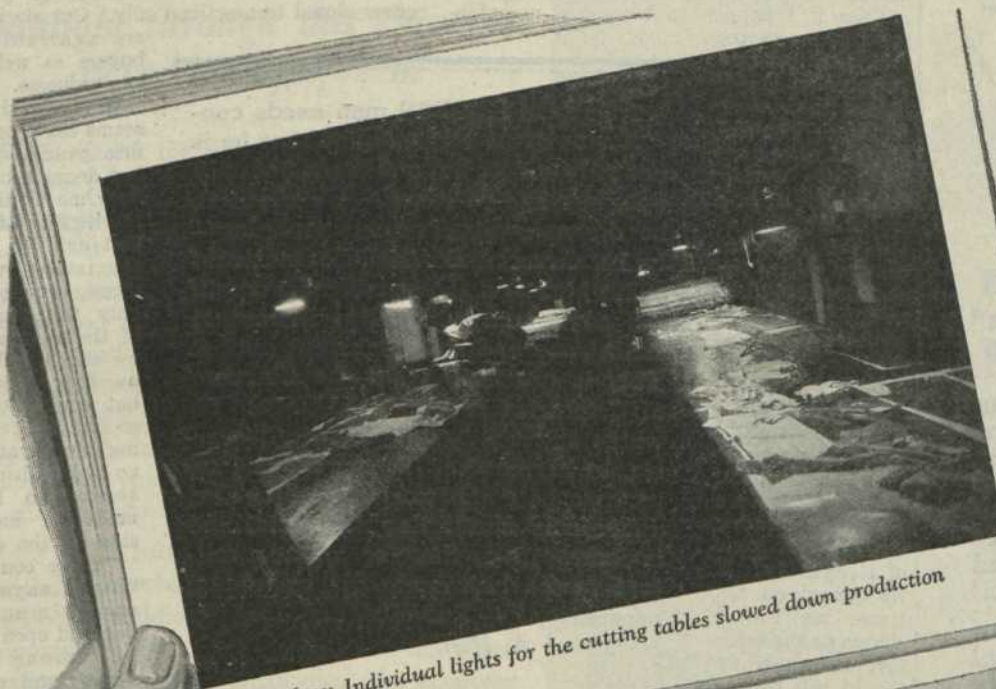
Improved Lighting Increased This Factory's Production 10 Per Cent

"WE have noticed quite an improvement in our production output since the new lighting installation averaging fully 10 to 12 per cent, and we feel that the improved lighting has paid for itself in the short space of time since we have made the change"

—Stricker-Beitman Company, Cincinnati, Ohio, manufacturer of trousers and overcoats.

The same satisfaction was experienced by over 15,000 factories which brought their lighting up to standard last year.

This company is just one of the 689 factories in Cincinnati which changed their lighting on the recommendation of the Cincinnati Electric Club. The accompanying photos show that lighting thought adequate was greatly improved.



Before: Individual lights for the cutting tables slowed down production



After: Properly designed lighting increased production 10 per cent

Industrial
Lighting
Fact No. 5

You, too, can increase your production by bringing your lighting up to the proper standard. Without cost your local electric light company will show you how.

Industrial Lighting Committee, National Electric Light Association
29 West 39th St., New York

When writing to INDUSTRIAL LIGHTING COMMITTEE, NATIONAL ELECTRIC LIGHT ASSOCIATION please mention Nation's Business

News of Organized Business

By Robert L. Barnes

THE BAR, sinister of trade associations seems to be the collection and distribution of statistics. Mr. Fitzpatrick of the Organization Service of the National Chamber has written this tale on the subject.

If you were the only manufacturer of ice skates in the United States, the ice-skate industry could do a lot of things. It could charge a \$1,000 a pair for skates, and by agreement, and the Sherman Act would not bat an eye. It could gather statistics to its heart's content, of any kind and for any use.

Then if I happen to become a manufacturer of ice skates also, the ice-skate industry no longer enjoys its previous freedom. You and I might write each other our weekly production, our stocks on hand, and the prices we charged for the skates we sold last week. Would our confidential correspondence be legal? Probably it would.

If we told each other in our weekly letter the prices we proposed to quote in the future, we would be nearing the twilight zone of illegality. If we agreed on the prices we should charge or the territory in which we should sell or the number of skates we should make, we would step out of the twilight into the night of illegality, where we might perhaps get by, because unseen. Two cannot do all the things that one can do.

Suppose we agreed to lower the price of ice skates. You have been charging, let us suppose, \$1,000 a pair and I have been following your lead without any agreement or understanding however. We get together now and by agreement lower the price of skates to \$5 a pair. That is price fixing. Is it illegal?

We won't follow up this lead but will take another. We will assume at this point that a short and mild winter decreases our business and increases our uncertainty. Our letters to each other are not entirely satisfactory. We create a trade association and employ a paid executive. We send our association the facts about our production, stocks, sales and prices on past transactions. We instruct our association to compile these statistics in clearly identified form, so that each of us will know exactly what the other is doing, and there will be no question about it. We also instruct our association to reveal these statistics to no one outside of the membership.

Now where does the skate industry stand—in the daylight, in the twilight, or in the dark? We have no agreements, secret or open. Our price statistics deal entirely with closed transactions. It is true these statistics are identified, which may raise a question, and are given only to the industry, which may or may not raise another question.

We realize that, now that we have an association, our visibility is high. We can

easily be spotted in the daylight, and the searchlight of the Department of Justice can uncover us in the twilight or dark. Further, several other manufacturers have joined our ranks. We are a full-grown industry. Our trade association decides to issue its statistics in unidentified form and also to send copies of the compilations to the Department of Commerce and to any interested person.

Where does the skate industry stand now? We have no agreements on prices, production, or territory. Our statistics on prices cover closed transactions only. Our statistics

are available to buyers as well as to producers.

We stand, it seems clear, on the firm ground of the last decision of the Supreme Court on the legality of statistics. If our statistics were secret, available only to members of the association, we might still be on firm ground, but could not be so sure of it. Giving these statistics to the buyers seems to have made an impression on the court.

"Free competition," says the court, means a free and open market among both buyers and sellers for the sale and distribution of

commodities. Competition does not become less free merely because the conduct of commercial operations becomes more intelligent through the free distribution of knowledge of all the essential factors entering into the commercial transaction."

Out of the vast business transactions of this country we may lift the following incident, which may or may not point a moral. It is certainly interesting.

Not so long ago a manufacturer asked the National Chamber whether the weekly statistics on production, shipments, and stocks of a certain trade association were confidential to members only or were open to any interested buyer. In response to an inquiry, the secretary of this association, wrote:

The Association publishes a weekly bulletin giving the production, sales, shipments, stocks, etc., in the district. This is compiled from reports by the 120 different producers in the district and is furnished to the members of our association and the Department of Commerce in Washington. I am also authorized to place upon our mailing list the name of any person, whether connected with the industry or not, who wishes to receive this bulletin, for the nominal charge of \$20 per year.

We wonder if the Supreme Court would nod its august head in approval of that statement.

Trade Lexicography

WHEN the siren song, "Let's pass a law," becomes alluring, it is well to give ear to the other song, "Business can do



He's reading an "ADVERTAG"

THE salesman is busy but the tag isn't. It's telling your prospective customer in no uncertain terms that the article to which it is attached is the best of its kind, that it's guaranteed for two years and that the price is \$7.50. Sold!

There's nothing new about an Advertag—(Advertising Tag) Denney has been making them for years and—

Denney Knows How

Making tags a lot better and a little more reasonably than others has brought the world's largest users of tags to the world's largest makers of them. New ideas, new designs and fast service are at your command. Check the coupon below and we will forward you the booklet, quotations or samples immediately. No obligation on your part.

DENNEY TAGS
WEST CHESTER, PA.

DENNEY TAG COMPANY
38 W. Barnard St., West Chester, Pa.

☐ Kindly quote on enclosed tags.

☐ Send free booklet, "How to Buy Tags Right".

Name _____ Street _____ City _____ State _____

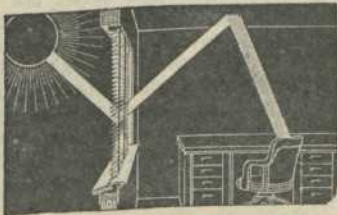
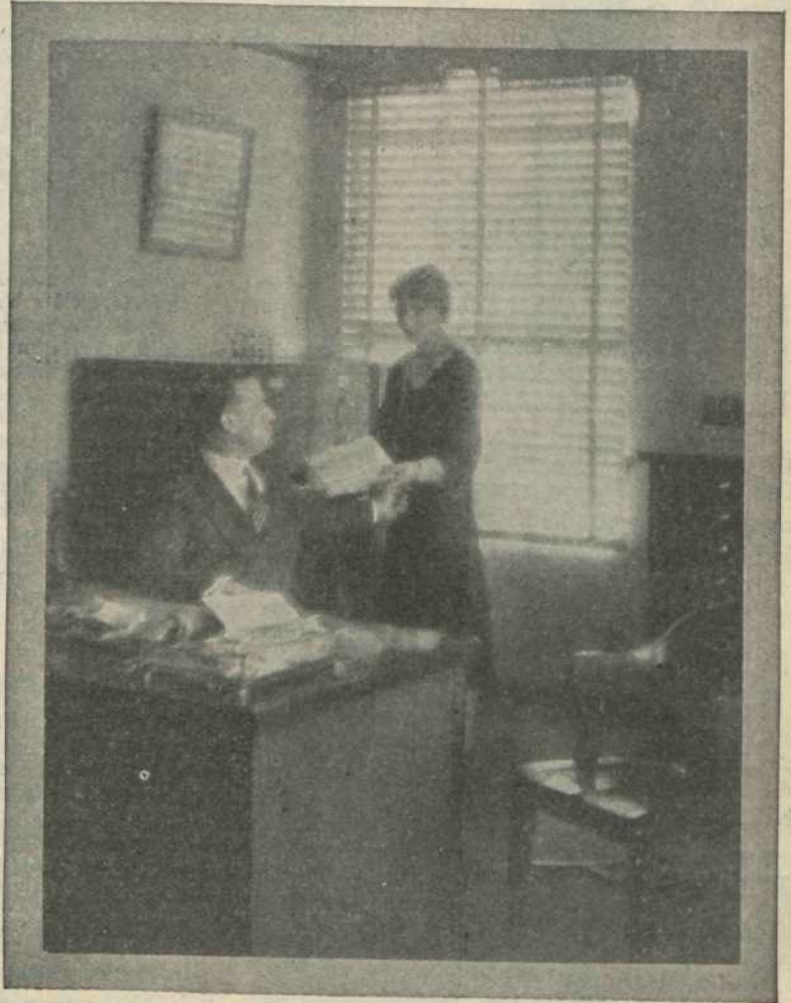
Make Each Window Give More Light —without Glare

*You Can Gain More Daylight,
Secure Better Distribution of
Daylight, and Eliminate Glaring
Sunlight through this Modern
Window Equipment*

CONTROL the light that comes in through the window, control it effectively, and you increase the illumination value of each window more than fifty per cent.

By controlling daylight with *Western Venetian Blinds* you increase not only the illumination value of each window but also the quality of the light admitted to your office, because this modern window equipment controls daylight by reflecting and diffusing light rays. Thus, glare is eliminated and maximum distribution of subdued restful daylight is provided.

More than four thousand banks, including Federal Reserve banks in fourteen cities, five hundred office buildings, and thousands of leading corporations now use *Western Venetian Blinds* because the service is unequalled, the economy unmatched. Note the coupon below.

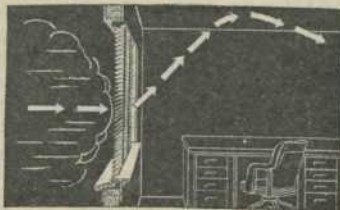


*How a Ray of Light
Travels via Western
Venetian Blinds*

Each ray of bright sunlight is reflected and diffused into soft, restful daylight, thus eliminating blinding glare.

*How an Air Current
Travels via Western
Venetian Blinds*

Air currents are diverted upward by the adjustable slats, thus providing a free circulation of fresh air, yet eliminating draft.



Equip a window with a Western Venetian Blind and you transform a mere opening in the wall into a unit of illumination. The total window area is utilized to admit daylight, yet light rays are so reflected and diffused that glare is eliminated and the abundance of daylight, softened and subdued, is widely distributed.

Western Venetian Blinds

MORE LIGHT ~ MORE AIR ~ LESS GLARE

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Factory and General Office: Los Angeles, California

New York . . . Chicago . . . Kansas City . . . San Francisco . . . New Orleans

Atlanta . . . Seattle . . . Portland, Ore. . . Birmingham . . . St. Petersburg, Fla.

Texas Agents: Two Republics Sales Service, Houston, San Antonio, Dallas

*Mail coupon for copy
of new book.*

*"Daylight Control
Plus Ventilation"*

Western Venetian Blind Company
Dept. N-3, 2700 Long Beach Ave., Los Angeles, Calif.

Gentleman: Without obligation to me, please send me copy of your free book.

Name _____

Business Firm _____

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Palatial Hotel

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Home of Leaders in
Statecraft, Diplomacy,
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Business and professional men will find here the acme of luxury and comfort, at rates no higher than at less finely appointed hotels.

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RIGHT BUYING

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The
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51 PARK PLACE, NEW YORK

the job quicker and better than legislative bodies." For example, take the case of the National Association of Taxicab Owners. This association sets a swift pace for municipal legislative bodies.

In forty-four cities of the country, where there is no fare regulation for taxicabs, the owners have put into effect rates favorably comparable to those in other cities. In seven cities taxicabs operate at the ordinance rate. In fifty-three cities the rates are lower than those prescribed by law.

The fact is that rate reductions in different cities, on the part of the owners of cabs, have come so fast that they are ahead of municipal regulations, ahead in performance and below in rates.

* * *

As we have said before, business men don't "contribute to the support" of their chamber of commerce or trade association. Both are selling something that can't be bought elsewhere. As an instance of what trade associations are doing, the work of the National Photo Finishers of America is worth attention. Members of this association only finish photographs; and the association comprises more than half of all those engaged in the business in the United States. Their cooperative business building program in the past two years has brought an added income averaging \$1,000 per member. That's \$1,260,000 for the industry—and it shows what promotion of good work can do.

* * *

Where and when was the commercial laundry business started in the United States? Not in the east, as one would suppose since the bulk of the population is there. The Laundry Owners National Association made a search last year and determined that the first laundry was the Contra Costa in Oakland, California. It was started in 1851 by D. Davis, who went west as a seeker of gold. The crude machines of the time were made of half-tubs and the agitators were made of wagon spokes. The company is still doing business.

Explaining the Company

SHOULD a workman be told what he wants to know about the company for which he works or what his employers think he ought to know? A well-known manufacturer recently wrote to the Department of Manufacture of the National Chamber telling his experience with explaining to his employees



the facts of his business. He said it paid to explain the balance sheet, the financial operations of the company and its problems.

Other companies are doing the same thing. Keen business men feel that it is a good thing to find out what their men are thinking and what they want to know and to give them answers in an understandable and interesting way. The growth in employee stock ownership, profit sharing, and other methods used by industry are arousing the interest of the workers to learn "what it is all about."

C. M. Ripley in the *Electrical World* says:

Forty million dollars in cash seems to the average worker a vast amount of money.

A noon-hour radical orator may easily stir discontent in the mind of a group of factory workers by telling them their company has forty millions in cash assets, and that they should receive their share of those assets. Forty millions would keep the General Electric Company working only two and one-half months.

There is no doubt that better employer-employee relations exist not only because of good wages but also because more attention is being given to the human element. The Department of Manufacture is undertaking a study of this situation and seeks the experience of many manufacturers along these lines.

Traffic Control

TWO PARTICULARLY good plans for traffic control have come to our attention. There are other good plans, of course, but each of these two is typical of different methods used in dealing with the problem of congestion.

Chicago looked at the problem as one of getting the traffic to move faster. The plan's sweet reasonableness is a strong point in its



favor; for, in preparing recommendations, the engineers sought to use existing facilities to the fullest extent possible. On the other hand, Providence (R. I.) found that it must revamp its streets to remedy its situation.

A preliminary survey of conditions in Chicago, undertaken by the Association of Commerce at the request of the municipal administration and participated in by all the business interests, showed that better use could be made of existing street facilities—that they were not being used to their full capacity. Miller McClintock, of the Erskine Bureau of Street Traffic Research of Harvard, undertook the formulation of specific recommendations. His report is based on the principles developed through the work of the National Conference on Street and Highway Traffic in which the National Chamber played such an important part.

The report contains recommendations for the creation of a representative street traffic commission, a division of traffic engineering, reorganization of the traffic division of the police department, firmer and more systematic enforcement of the traffic laws, an improved system of traffic signals and signs, and a complete draft of the necessary ordinances to put the recommendations into effect.

Providence is a city of distinct individuality. And so the solution of its traffic problem was complicated by the desire to preserve this charm and yet modernize the city's streets. After a year's study, Robert Whitten made a report that has been adopted by the municipal government.

Twelve years and the expenditure of several millions of dollars will be required to carry out the program. Also the cooperation of several governmental agencies such as county and state boards will be required, as the plan covers Providence's entire trading area.

The plan's chief provisions provide for the creation of express boulevards skirting the

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"My typewriter problem is completely solved"

THE Remington Line alone can solve all your typewriter problems with *A Machine for Every Purpose.*

Standard Typewriters, Noiseless Typewriters, Electric Typewriters, Tabulating Typewriters, Portable Typewriters, Vertical Adding Typewriters, and Bookkeeping Machines of every kind and description—these are the components of the Remington Line. And each of these many Remingtons is the very last word in the field it covers.

The completeness of the Remington Line—a new development in the industry—enables the typewriter and bookkeeping machine user to practice selective buying to a degree hitherto impossible.

In making the right selection, the Remington representative can render you most helpful assistance. His training is as complete as the line he sells; he knows the machine which *should* be used under every given condition—and for each and every purpose. This knowledge and training is freely at your service.

Remington Typewriter Company
374 Broadway New York
Branches Everywhere

Remington-made
Paragon Ribbons &
Red Seal Carbon
Papers always make
good impressions.



The International Jury of the Sesqui-Centennial Exposition at Philadelphia has awarded the Remington Typewriter Company the Grand Prize, its highest award, for typewriters and bookkeeping machines, adapted to all purposes, and particularly commends as a notable advance in typewriters the Remington-Noiseless, Model 6.

Typewriters

A MACHINE FOR EVERY PURPOSE

When writing to REMINGTON TYPEWRITER COMPANY please mention Nation's Business



Grass Cutting and Maintenance Equipment for Golf Courses and Estates

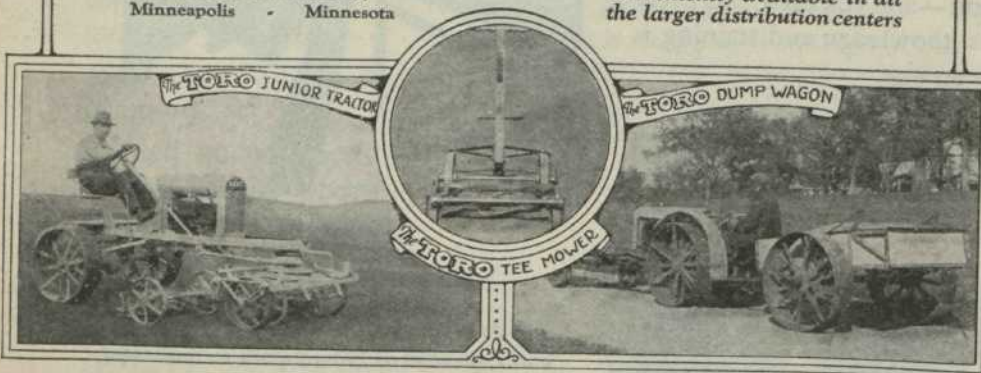
TORO grass cutting and Maintenance Equipment has made an enviable name for itself on over 1700 Country Clubs and Private Estates throughout North and South America. Built up to rigid standards in workmanship and quality, it is delivering trouble-free service at the very minimum of upkeep expense.

The Toro Park Special represents a distinct improvement over the older type of power lawn mowers. Perfectly balanced, with extreme ease of operation and every working part accessible and easily understood, it sets a new standard in the power lawn mower field.

New illustrated catalog showing complete line of maintenance equipment will be sent on request.

Toro Manufacturing Co.
3042-3146 Snelling Ave.,
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*Agencies and service stations
conveniently available in all
the larger distribution centers*



"There are three reasons

why I have the highest regard for NATION'S BUSINESS," says A. J. Brosseau, President of Mack Trucks, Inc., "its unquestioned authority, its general usefulness, and the inspiration it brings each month."

These reasons help explain why NATION'S BUSINESS is read by a quarter of a million business leaders. If your advertisements are intended to reach such an audience, write today to our Advertising Department for details.

NATION'S BUSINESS
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congested sections of the city. They will be from 120 to 140 feet in width, with a central express and service roads on each side for local traffic. The central express road will bridge or under-cut all important street intersections. The cost of such boulevards will be tremendous as much property must be condemned, but the expense will not be so great as the combined cost of four or five 80-foot streets which would be required to carry an equal amount of traffic.

In making this plan the objectives of "The City Beautiful, and Useful, Too" have not been overlooked. It has not merely been a question of getting more vehicles to pass a given point in a given time but to build and remodel roads in such ways and such places as to improve the appearance of this already delightful city.

Teachers to Visit Chamber

SCHOOL teachers from all sections of the country visit Washington during their vacations. To these the Educational Service of the National Chamber has extended, through local chambers, an invitation to visit the building which is considered one of the most beautiful structures in the city and to learn of the work of the chamber—especially the work of its Education Service of the Civic Development Department.

From the Portsmouth, Ohio, chamber manager comes a letter typical of the many that were received in answer to the invitation.

It is characteristic of the men who make up the United States Chamber of Commerce as evidenced by your letter in giving consideration to those who are engaged



in educational work to visit the chamber's national home while in the Capital City. For this attention and courtesy we are grateful indeed.

How fitting it is to suggest that this splendidly equipped business organization be brought to the attention of the millions who attend public schools throughout every section of America. If these should gain in the leastwise some information pertaining to the purposes of this organization and spread it among those with whom they come in contact, it will serve to broaden the scope of our work through a more intelligent understanding of the purposes we have in mind.

We shall advise our local school authorities of this invitation and encourage them to avail themselves of this privilege at the first opportunity should either of them find it convenient to be in the Capital City.

Spring Brings the Tourist Camp

WHAT is the automobile tourist camp?—Is it analogous to a municipal lodging house provided to shelter those who otherwise would become a source of embarrassment to the community, or to a convention, welcomed because of the belief that it stimulates business, or to a hotel maintained for the accommodation of travelers able and willing to pay their way? But while theorists debate, the tourist camp has developed into an institution of such impor-

tance that no city and few towns along main traveled highways can ignore it.

In discussing the problem of whether it should be public (municipal or state), semi-public (chamber of commerce or other non-profit-making organization), or private (profit making) in ownership and management, certain factors should be remembered.

1. The camps are necessary, for the campers are with us. If no designated place is set aside for their use, they will camp promiscuously, which means damage to private property, thefts and other crimes, a general feeling of insecurity in suburban and rural residents, pollution of springs and streams, and fire hazard in wood lots.

2. Camps offer a wide range of accommodation. Some are little more than a field in which the traveler has permission to park his car over night. Some offer most of the comforts of hotels run on the cottage plan.

3. No matter what grade of accommodation they offer, camps present problems of sanitation and police protection. Therefore they must be under the official supervision either of the state or municipality.

It is obvious that certain minimum requirements must be set up. What of the tramp who will avoid the camp if the fee is too high or no means is provided for working it off? One of the first objects of the camp has been defeated if the tramp avoids it and parks his flivver in some secluded place.

Present tendencies indicate that camps may become as differentiated as hotels. The Civic Development Department of the National Chamber has been collecting figures on this problem for some time and has recently published a report on all phases of the problem, such as how the camps affect business, their management, supervision, financing, and tourist expenditures.

Promoting Foreign Trade

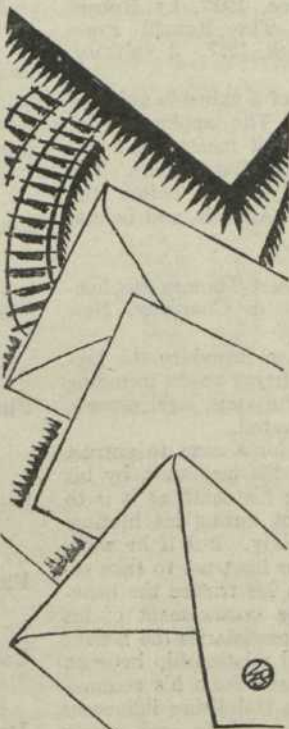
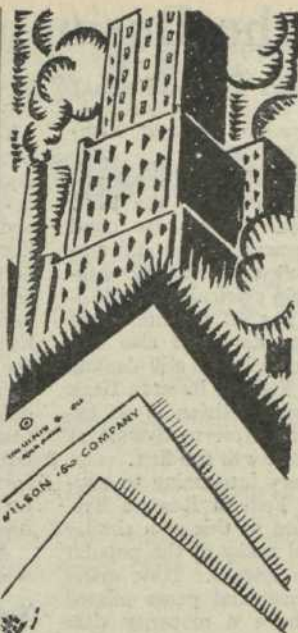
FOUNDED in 1885, the Italian Chamber of Commerce in San Francisco, California, is probably the oldest foreign chamber of commerce in the United States. The following year the official Spanish Chamber of Commerce in the U. S. A., with its offices in New York City, was established. Up to 1915 not many foreign chambers were founded, but since then they have been coming into existence at a rapid rate.

These facts were brought out in an investigation conducted by the Foreign Commerce Department of the National Chamber, relative to their activities. The department also conducted a similar investigation as regards American chambers in foreign countries. Both these investigations cover such questions as arbitration facilities, service to non-members, and trade promotion facilities.

Coming Business Conventions

(From Information Available Jan. 20)

Date	City	Organization
Mar. 1	Boston	Retail Milliners Association of New England.
2-3	Chicago	Fire Underwriters Association of the Northwest.
3	Boston	New England Street Railway Club.
3	Kansas City, Mo.	Western Petroleum Refiners Association.
8	Pittsburgh	National Association of Manufacturers of Pressed and Blown Glassware.
10-11	Atlanta	National Association of Office Appliance Manufacturers.
14-16	New York	National Association of Waste Material Dealers, Inc.
15-16	Chicago	Health and Accident Underwriters Conference.
15-17	Detroit	Society of American Florists and Ornamental Horticulturists.
18	Chicago	Oak Flooring Manufacturers Association of the U. S.
20	New York	Electric Hoist Manufacturers Association.
23	New York	Silk Association of America.



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Good stationery is made out of rags—all rags. The better the rags the better the paper. Crane's Bond is made out of all new white rags, and its strength and beauty and personality have given the name "Crane" the high esteem of large corporations, financial institutions, and twenty-two governments.

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THE MULTIPOST

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Free trial of the Multipost will convince you that its use brings economies and advantages of unsuspected importance.

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Representatives in all large cities. Ask your Stationer. Or send coupon for free trial, or booklet which reveals the waste in hand stamping.

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☐ Send Multipost on free trial.

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Ham for Epicures!

Years before the Civil War John Groce worked out our secret way to cure hams and bacon.

It's slow, takes over 2 months, but it's so good we've always kept the secret. After you taste some you'll only know that it is sugar cured, smoked with green hickory, and the finest ham and bacon you ever ate.

People who love ham send regularly to Circleville to get Groce Ham. They want that smack and taste and juice you don't get by modern quick curing. We've been shipping them to the epicures for 79 years. After your first taste you'll be downright disappointed with ordinary hams.

These are all from tender, quickly fattened young stock so order your size from 9 to 14 pounds. We'll mail it by parcel post, orders for 3 or more by express. Price is 48c a pound here; each one perfect or your money goes back cheerfully.

Sold Direct Only

JOHN GROCE & SON

Dept. 1, CIRCLEVILLE, OHIO

Packers of old fashioned, sugar cured, hickory smoked

HAMS and BACON

JUST THE SAME SINCE 1848

Questions and Answers on the Federal Reserve System, edited by Charles A. Peple, Federal Reserve Bank of Richmond, Richmond, Va., 1926.

This book was originally published primarily for the member banks of the Fifth Federal Reserve District. Later it was found to be helpful to the general public and students in schools and colleges having the subject of banking on their curriculum.

The second edition has all the matter of the first brought up to date and also new material has been added. While still dealing in particular with the Federal Reserve Bank of Richmond, the second edition is an explanation of the Federal Reserve System as a whole much more than was the first.

The book will be very interesting to anyone interested in the Federal Reserve System. A wide circulation of this or a similar book would help dispel many of the popular misconceptions of the system. How many people know that agricultural paper offered for rediscount may have a maturity date nine months later, while commercial paper is limited to ninety days? Or how many know that to 1925 the Federal Reserve Banks paid 57 million dollars in dividends and in the same time 139 million dollars as a franchise tax to the United States Government?

Income-Tax Procedure, 1927, by Robert H. Montgomery. The Ronald Press Company, New York, 1927. 2 volumes, \$16.

The eleventh edition of a valuable guide of income-tax procedure. The application of the law, various classes of income, and deductions are treated in the first volume. The second volume gives practice before the Treasury, Board of Tax Appeals, and federal courts.

Living Trusts, by Gilbert Thomas Stephenson. F. S. Crofts & Company, New York, 1926.

An interesting work to introduce the layman to the subject of living trusts including life insurance trusts. Purposes, legal aspects, and tax features are treated.

"It is quite as easy for a man to entrust his property, including his insurance, by his will to take effect after his death as it is to entrust it by agreement during his lifetime to take effect immediately. But if he waits until after his death for his trustee to take effect, he withholds from his trust the benefit of his advice in the management of his trust estate, from his beneficiaries the benefit of establishing a cordial relationship between them and his trustee, and from his community the benefit of the stabilizing influences of trust estates conservatively and wisely managed for the common good."

Wholesaling, by Theodore N. Beckman. The Ronald Press Company, New York, 1926. \$6.

The stress of competition between channels of distribution makes necessary more attention to organization, to policies, and to the effects of different tendencies as they appear in the distribution field.

This volume on wholesaling comes at a time when such a work is sorely needed to help the wholesalers retain their useful place in distribution.

Successful Financing of the Home, by Elwood Lloyd. The Los Angeles Evening Herald, Los Angeles, Calif.

A compilation of 154 editorials by the financial editor of the Los Angeles Evening

Herald, which appeared in that publication daily from January 1 to June 30, 1925.

This is the first work of its kind that has come to our attention, dealing with every aspect of finance in the home. Chapters are devoted to the making and operation of a budget system; financing the home during the first year; insurance—kinds and reasons; cost of food, clothing and education of children, and budgets for their spending money. One particularly informative chapter deals with home-building, the proper selection of a site, the price to pay and the financing of the building program, ways to avoid building loss, defining building terms and the difference in contracts, and insurance during building. Other subjects discussed are wills and estates, investment of accumulated funds, the widow's investment, program of thrift for the children, and definitions of financial terms.

A very helpful book for young people just starting in the business of making a home.

Standard Costs, by Ernst & Ernst, 1926.

A pre-determined budget of costs is represented as standard costs in this little booklet recently published by Ernst & Ernst. The booklet also explains the use of standard costs in detecting unneeded rises in the cost of particular steps in manufacturing and in increasing efficiency to meet the present-day competition.

RECENT BOOKS RECEIVED

Britain's Economic Plight, by Frank Plachy, Jr. Little, Brown, and Company, Boston, 1926.

Caravans of Commerce, by Isaac F. Marcossan. Harper & Brothers, New York, 1926. \$3.

Clerical Salaries in the United States 1926. National Industrial Conference Board, New York, 1926. \$1.50.

Employment Statistics for the United States, edited by Ralph G. Hurlin and William A. Berridge. Russell Sage Foundation, New York, 1926. \$2.50.

Financial Management of Farmer's Elevators, by Gerald M. Francis. A. W. Shaw Company, Chicago and New York, 1926. \$2.50.

Financing Automobile Sales, by William A. Grimes. A. W. Shaw Company, Chicago and New York, 1926. \$2.50.

Financing the Livestock Industry, by Forest M. Larmer. Macmillan Company, New York, 1926. \$2.50.

Congress, an Explanation, by Robert Luce. Harvard University Press, Cambridge, Mass., 1926. \$1.50.

Italy's International Economic Position, by Constantine E. McGuire. Macmillan Company, New York, 1926. \$3.

Ship Model Making: Volume II—How to Make a Model of the American Clipper Ship, by E. Armitage McCann. The Norman W. Henley Publishing Co., New York, 1926. \$2.50.

Steps in Industry, by Edmond E. Lincoln. Macmillan Company, New York, 1926. \$2.

Farm Relief (Volume IV, Number 8 of the Reference Shelf), compiled by Lamar T. Beman. The H. W. Wilson Company, New York, 1927. \$0.90.

The New Korea, by Alleyne Ireland. E. P. Dutton & Company, New York, 1926.

How to Make Money in Real Estate, by Stanley L. McMichael. (Second edition.) Stanley McMichael Publishing Organization, Cleveland, Ohio, 1926. \$5.

The GREATEST of ALL Years in the History of THE CHICAGO DAILY NEWS

In 1926 The Chicago Daily News published:

—The greatest volume of advertising ever carried by a Chicago daily newspaper (21,811,512 agate lines), a gain of 1,328,204 lines over 1925.

—A larger volume of display advertising, a greater number of classified advertisements, than were printed by any other Chicago daily paper.

—A volume of department store advertising exceeding the totals of the next THREE daily papers combined.

In these facts there is a pertinent message from the advertisers of 1926 to the advertisers of 1927—an unmistakable measure of the results obtained by advertisers in The Chicago Daily News.

Here is detailed testimony to the confidence of advertisers in The Chicago Daily News, as shown in the accompanying statement of Chicago Department store advertising, representing as it does the verdict of Chicago's most exacting and experienced advertisers. It is decisive evidence for all advertisers.

TOTAL DEPARTMENT STORE ADVERTISING IN CHICAGO FROM JANUARY 1 TO DECEMBER 31, 1926 IN "THE LOOP"										
	The Daily News		Tribune		Herald-Examiner		Post	American	Journal	Total
	Daily	Sunday	Daily	Sunday	Daily	Sunday				
Boston Store	724,235	8,073	333,747	48,680	302,330	16,493	319,823	350,016	2,103,397	34.43
Carson Pirie Scott & Co.	440,407	591,484	196,204	148,927	181,461	70,882	1,039,335	27.43		
The Fair	864,572	116,676	499,979	20,496	270,225	43,721	440,233	79,872	2,335,774	37.01
Marshall Field & Co.	575,523	559,070	363,523	3,400	84,881	356,489	386,020	341,823	2,582,548	22.29
Hillman's	562,911	8,996	244,469	2,400	134	120,936	2,478	993,623	60.99	
Leiter Building Stores	431,385	7,057	278,795	3,468	149,370	107,031	109,080	168,865	1,770,140	43.42
Mandel Brothers	479,854	464,587	297,123	33,579	110,021	10,607	25,695	47,680	481,328	27.11
Chas. A. Stevens & Bros.	67,808	285,637	91,884	191,628	47,680	530,373	183,867	2,443,854	51.31	
The Davis Co.	1,254,028	266,078	1,746,017	860,278	916,797	730,982	2,132,869	1,167,773	15,262,894	35.38
Total Agate Lines	5,400,520	2,307,658	1,746,017	860,278	916,797	730,982	2,132,869	1,167,773	15,262,894	35.38
The Daily News Printed										
(3,092,862 more lines than the highest morning paper; 3,267,651 more lines than the next highest evening paper; 1,346,845 more lines than the highest daily and Sunday papers combined.)										
OUTSIDE "THE LOOP"										
	The Daily News		Tribune		Herald-Examiner		Post	American	Journal	Total
	Daily	Sunday	Daily	Sunday	Daily	Sunday				
W. A. Winholdt & Co.	806,000	17,803	146,718	31,189	90,248	282,548	1,174,476	51.80		
Becker-Ryan & Co.	98,361	37,381	1,117	1,260	3,047	141,166	69.68			
Corydon's	63,390	16,265	7,314	30,897	23.69					
The H. P. W. Stores	7,318	18,265	162,630	124,966	57.83					
E. Iverson & Co.	141,173	610	21,457	52,083	124,966	57.83				
Klein Bros.	72,273	610	21,457	52,083	124,966	57.83				
L. Klein	203,785	1,270	36,100	414	1,620	254,389	80.10			
Loren Miller & Co.	32,486	1,659	10,419	17,523	2,565	71,714	45.30			
Struve's	37,594	1,659	10,419	17,523	2,565	71,714	45.30			
The 12th St. Store	203,226	27,118	35,907	35,480	61,315	131,760	362,104	100.00		
Montgomery Ward & Co.	15,727	4,923	57,008	35,480	61,315	17,622	362,104	9.04		
Madigan Brothers	19,065	4,923	57,008	35,480	61,315	17,622	362,104	9.04		
Sears Roebuck Co.	139,355	897	81,638	4,116	53,014	228	94,177	393,617	23.53	
Goldblatt Brothers	308	4,243	150	35	182	608	50.66			
Larkin Store	850	150	4,243	150	35	182	608	50.66		
Total Agate Lines	1,640,881	31,725	456,407	54,719	205,524	228	519,318	169,574	3,078,378	53.30
The Daily News Printed										
(1,886,162 more lines than the highest morning paper; 1,171,563 more lines than the next highest evening paper; 1,152,748 more lines than the highest daily and Sunday papers combined.)										
TOTAL IN AND OUTSIDE "THE LOOP"										
	The Daily News		Tribune		Herald-Examiner		Post	American	Journal	Total
	Daily	Sunday	Daily	Sunday	Daily	Sunday				
Total in "The Loop"	5,400,520	2,307,658	1,746,017	860,278	916,797	730,982	2,132,869	1,167,773	15,262,894	35.38
Total outside "The Loop"	1,640,881	31,725	456,407	54,719	205,524	228	519,318	169,574	3,078,378	53.30
Total of all Dept. Stores	7,041,401	2,339,383	2,202,424	914,997	1,122,321	731,210	2,652,187	1,337,347	18,341,272	38.39
The Daily News Printed										
(4,702,018 more lines than the highest morning paper; 4,389,214 more lines than the next highest evening paper; 2,499,584 more lines than the highest daily and Sunday papers combined.)										

Average Daily Net Paid Circulation for December, 1926, 426,855

THE CHICAGO DAILY NEWS

First in Chicago

Advertising Representatives:	NEW YORK	CHICAGO	DETROIT	SAN FRANCISCO
	J. B. Woodward 110 E. 42d St.	Woodward & Kelly 360 N. Michigan Ave.	Woodward & Kelly Fine Arts Building	C. Geo. Krogness 253 First National Bank Bldg.

ONCE upon a time—8 years ago, to be exact—Grigg-Hanna of Detroit needed something but didn't know it.

A Baker-Vawter man wondered why they didn't buy a bookkeeping machine, because a survey of their office showed a need not only for it but for several other things which would give them surer and quicker records of their fast growing business.

Now, Grigg-Hanna don't know we are telling this story, but they won't object to this statement, we feel sure—that after that "first bite" their business appetite wasn't satisfied until their office was practically a 100% Baker-Vawter office.

They give us credit for knowing our business, and we honor them because they let us prove it.

This is just one of many instances where a Baker-Vawter man, trained to know what modern offices need, used his knowledge to continually help a client—at no cost to the client except for cost of printed forms, ledgers, or files.



MR. JAY HOWE OF DETROIT

The incident related here was "personalized" by Mr. Howe. A great many business men in Detroit know Mr. Howe, not only as a Baker-Vawter man, but as a constructive helper. For many years the service Mr. Howe has rendered business firms in Detroit has been evidenced in many ways. We are glad to pay one of Baker-Vawter's good men this tribute.



CHAIN stores have brought into being a new kind of detective agency. They specialize in testing the character of clerks in chain stores. In an ordinary establishment, the proprietor is usually able to satisfy himself about the honesty of his employees; but a company operating scores of chain stores has hundreds of clerks, and the hiring and firing is so rapid that the



employer cannot be sure of the reliability of each and every one. Hence the necessity for detectives who go about from store to store to test the clerks. These detectives have a knack of looking like ordinary customers and they make purchases under conditions, carefully prearranged, that would give a dishonest clerk a seemingly good chance to ring up the wrong amount on the cash register—or not ring up anything at all.

IN THE oriental rug department of a big store recently, I found the head of the department and one of his assistants eagerly reading the obituary column of the morning paper.

"We never miss an obituary column," the manager explained to me; "most people in the oriental rug business read it, or should. There is always the chance of learning that one more rug is sure to stay sold. Here is the idea: Every large city is full of well-to-do women of advanced years who derive much of their pleasure in life from buying articles to put in their homes. They can get added pleasure from a single purchase if they take home a chair or a rug, keep it for a few days, then exchange it. That is about as good as buying two different articles. But few stores will exchange articles after two weeks. With an oriental rug, though, we never feel safe from a request to exchange it. It is the only article sold in a store that improves with use. Hence an old customer can often talk us into breaking our rule against making an exchange after two weeks. No special harm is done except that it is just as much trouble to help the customer pick out another rug in place of the one she wishes to exchange, as to make a new sale. It all takes time and energy that could be used

more profitably. It is often a great relief to learn from the obituary columns that a rug is irrevocably sold."

"FAR MORE clever scheming to avoid waste space is done by hotel architects than by those who build homes," a famous hotel architect tells me. "We must scheme to place even a broom closet to save steps. If we save so many steps that the hotel can get along with one less chambermaid, who would draw wages of, say, \$60 a month, that means that the owners can afford to spend considerably more on the building. Just figure it out for yourself. Multiply \$60 a month by 12 and you have \$720 a year. That is 6 per cent interest on \$12,000—which may be spent for profitable space. Likewise, if we can save enough space to provide one more bedroom that can be rented for \$1,500 a year, that \$1,500 represents the interest on capital that may also be added to the building cost—either in more space or more beautiful decorations. An architect building a home tries to make good use of space, too, but it isn't so financially important, because a man doesn't expect his home to show a profit."

A MAN I know in the building business has been able to put up and sell more small houses than any of his local competitors. He seems to have little difficulty in selling a house as soon as it is nearing completion. He told me his secret.

"I finish the floor in my basement the first thing," he said. "A prospective buyer is as much interested in the cellar of a house under construction as any other part, because it is there that he can see just what kind of plumbing, heating and water system is being used. But, as a rule, a cellar is so



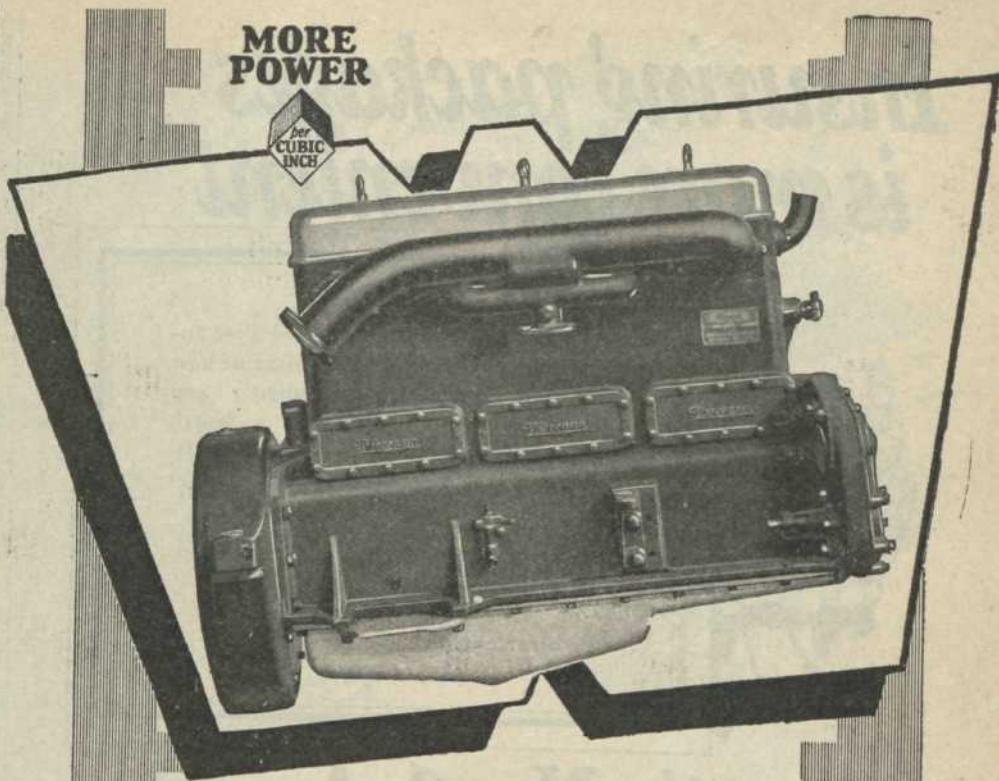
muddy and so full of rubbish dropped from above, that no man likes to step into it—and his wife is even less inclined to look at it. Most builders foolishly put the cement floor in their cellar the last thing. I do it first."

A REAL estate man who has been handling allotments for many years says that subdivisions already staked out in this country would probably take care of all real needs for at least ten years. "But most lots for sale at the edges of cities are too small," he says. "The only way to prevent having too many lots offered for sale is to have bigger lots."

A MONTH or two ago in this column, I mentioned the names of several towns whose prosperity is due mainly to some one industry. This has brought many letters from people who wish to mention glowingly their towns. From these letters it appears that pride in one's town is an almost universal trait of mankind. One man is proud because his town is famous for

**MORE
POWER**

per
CUBIC
INCH



Better Power for Your Entire Production

For your full line—trucks, busses, tractors or industrial machinery—Wisconsin has the right motors, Sixes or Fours, 20 to 120 H. P., to give each type *better* power.

With their specialized overhead-valve design, their close tolerance construction, these great motors yield, consistently, "More Power per Cubic Inch," and show, invariably, increased economy of fuel and oil, more work between overhauls, less lay-up time.

We will be glad to supply any interested executive with the facts of performance and economy—*proved* for manufacturer, dealer and operator.

Wisconsin Motors are manufactured in a full line of Sixes and Fours, with a power range from 20 to 120 H. P. for trucks, busses, tractors and construction machinery.

WISCONSIN MOTOR MFG. CO.
MILWAUKEE WISCONSIN

Wisconsin
CONSISTENT



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Insuring packages is more convenient



NORTH AMERICA Parcel Post Insurance solves the problem of how to insure packages conveniently and economically. Coupons from a North America Coupon Book insure automatically and promise prompt adjustment in the event of claim.

Ask any North America Agent about this dependable and efficient insurance—or send the attached coupon for full information.

the North America way

"The Oldest American
Fire and Marine
Insurance Company"
Founded 1792

Insurance Company of North America
Sixteenth Street at the Parkway
Philadelphia, Pa., Dept. N.3

Name _____
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one thing; another brags of the fact that his town has great diversity and is not limited to any one line of industry.

Mrs. Albert T. Leatherbee, of Dedham, Mass., calls to my attention these towns, all devoted to textiles: Lowell, Lawrence, New Bedford, and Fall River, Mass.; Manchester and Nashua, N. H.

Also, these in Massachusetts: Holyoke—paper; Gloucester—fish; Quincy—granite; Gardner—chairs; Winchendon—toys; Brockton—shoes; Cotuit—oysters.

The leading industry in both Hartford, Conn., and LeRoy, Ohio, is insurance.

R. G. ELVIN, of The Field Advertising Service, Indianapolis, says:

"Thank the Lord, Indianapolis has widely diversified interests and is not affected by slumps as are eggs-in-one-basket cities."

FRED C. MILKERT, of Roselle, Ill., lawn-mower doctor, tells me frankly that his town's greatest distinction is from Milkert's Mower Service, Inc.

L. W. BICKETT, of the Bickett Rubber L. Products Corporation, Watertown, Wis., even writes modestly about the fame of Watertown geese.

"These fowls are so numerous here," he says, "and multiply so rapidly, that only by continuous feasting are the inhabitants able to prevent the geese from taking complete possession of the town. Every home in Watertown is required by city ordinance to serve goose three times each week. Our streets are full of geese, and so great



is the noise that the inhabitants despair of talking loud enough to be heard and often resort to sign language. When the geese are shedding, the entire ground is covered with feathers, giving the appearance of deep snow. Many automobiles get stuck in the drifts and unscrupulous garage men reap a harvest in towing tourists through town. Goose grease is used to oil the streets."

A YOUNG woman I know, who sells automobile insurance of all kinds, recently conceived the plan of obtaining a list of all car owners' names from the local license bureau and then calling them by telephone.

She was shocked to find out how frequently a person who owns an automobile does not have any telephone. One might think that if a family can afford an automobile it would not seriously mind the expense of a phone. But in hundreds of homes people are using money that might go for telephone rental to apply to gasoline or payments on the car.

IN INDIANAPOLIS I saw a sign in a barber-shop window which said: "Exclusively Men's Shop."

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140-page Book of life-size ruled forms, completely filled in. Answers problems of accounting and record keeping for any business or profession.

Book Sent **FREE** if requested on business stationery

John C. Moore Corporation
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MOORE'S LOOSE LEAF SYSTEMS
Used In 300,000 Offices

Ask about the New
MOORE'S VISIBLE RECORDS

"Sprig is Cubbig"—Be on your guard against colds—this is the danger season!

At the first sneeze or sniffle—at the first husky word—the first sore swallow—the first cough—take a Luden's.

The menthol in the exclusive Luden formula quickly eases sore throat, clears away hoarseness, opens up a stuffy nose, relieves even the worst cough.

In the yellow package

5¢

LUDEX'S
MENTHOL COUGH DROPS



...about *no account* Horsepower

IT strays up the flues in the form of unburned gases. It wanders away from poorly insulated pipes or surfaces in the form of heat radiation. It shuffles off in steam leakage. It shirks all along the line because it is not properly guided.

A startling amount of industrial horsepower, carefully raised from the coal pile, turns out "no account." It just never gets to work.

Making this "no account" horsepower get to work is a lot cheaper than creating new waste again and again.

Let a Johns-Manville power specialist go over your plant and show you how "no account" horsepower, now a large loss, can be changed into a large gain.

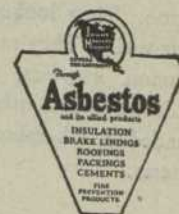
Johns-Manville Packings, Insulations, Refractory Cements, etc., help to transform your "no account" horsepower into the kind that helps pay dividends.

JOHNS-MANVILLE CORPORATION, Madison Ave. at 41st St., New York
Branches in all large cities. For Canada: CANADIAN JOHNS-MANVILLE CO., LTD., TORONTO

JOHNS-MANVILLE

PACKINGS; HIGH TEMPERATURE CEMENTS; INSULATIONS; ROOFINGS AND OTHER ASBESTOS PRODUCTS

SAVES HORSEPOWER



Leave Darkrooms to Photographers



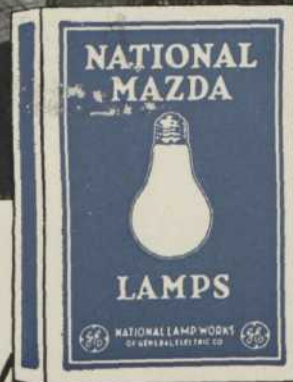
Darkness has its usefulness—but it's not around a bench or a machine where a man must produce. Time yourself in reading two hundred words or so in poor light—then in good light—and you'll see what a difference light makes in *speed of seeing*.

Just by chasing out the darkroom gloom and shadows, thousands of factories have been able to increase their output, not by a trifle, but by from eight per cent to thirty-five per cent.

Your lighting company will refer you to well-lighted factories in your community. Or, we'll point out one so you can get a first-hand story of the results of productive lighting. Your contractor will gladly figure with you on your installation.

NATIONAL LAMP WORKS
of General Electric Co.
Nela Park Cleveland, Ohio

The mark MAZDA is not the name of a product, but the distinguishing mark of a *Research Service* which has been the means of improving incandescent lamps and reducing their cost since 1910.



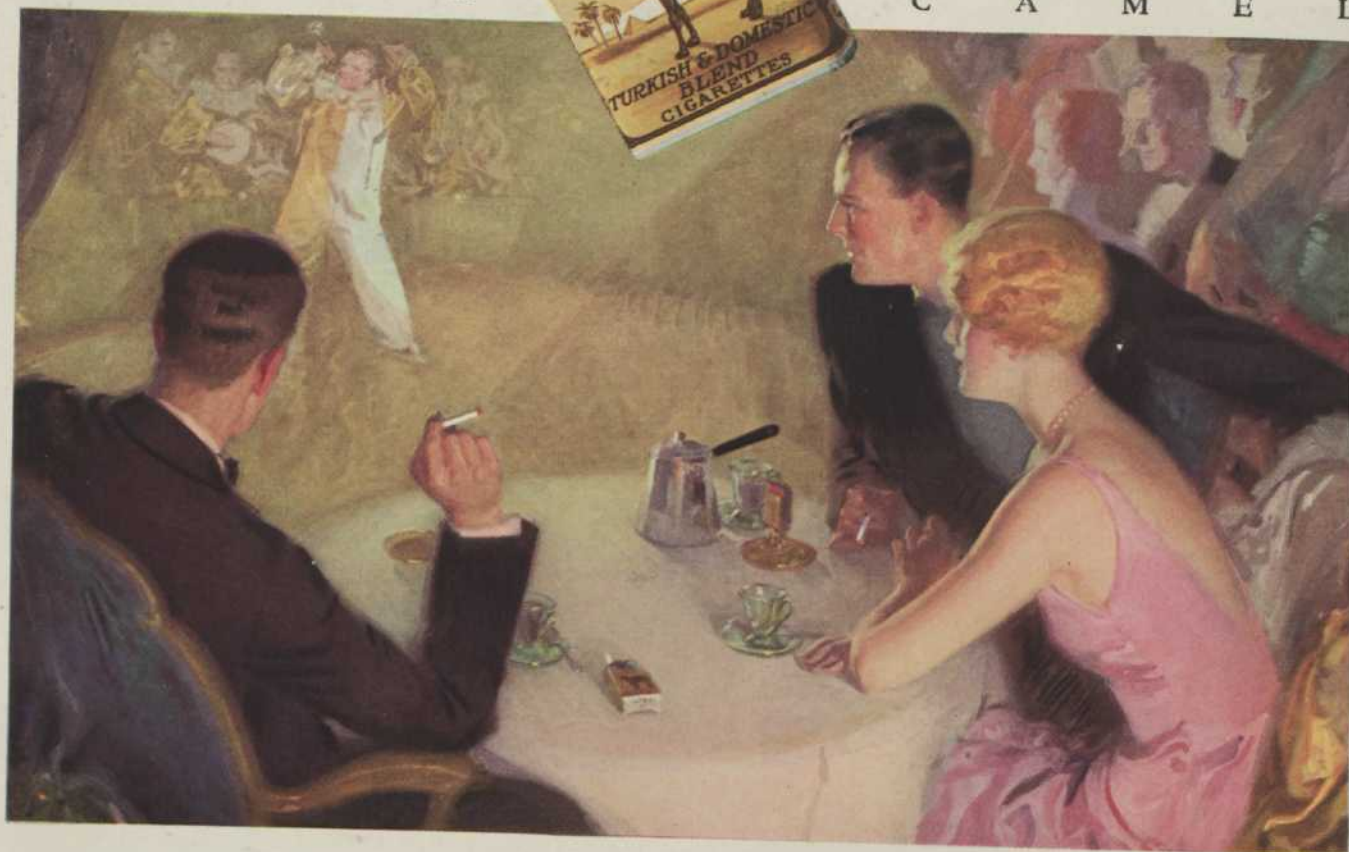
National MAZDA LAMPS



When writing to NATIONAL LAMP WORKS OF GENERAL ELECTRIC Co. please mention *Nation's Business*

H A V E A

C A M E L



Camels add to the joy of living

SMOKING is one of the keen pleasures of life.

The choice of a cigarette deserves your most careful judgment because it determines the degree of enjoyment you will have.

Camels welcome comparison on every count. Compare their goodness in every way. Each successive Camel brings a fresh pleasure no

matter how constantly you smoke.

Such mellow mildness can come only from the world's choicest tobaccos, supremely blended, with the sole purpose of giving you, the smoker, a cigarette which you can enjoy to the fullest.

The verdict of the experienced smoker is —

"Have a Camel!"

R. J. REYNOLDS TOBACCO COMPANY, WINSTON-SALEM, N. C.